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ABSTRACT

The House Select Committee on Children, Youth, and Families met in Nashville, Tennessee, to gather information on the education and employment futures of youth in the South. Testimony was heard from experts in education, training, and economic development. Organizations represented included universities in the region, adolescent dropout and pregnancy prevention programs, Oak Ridge Chamber of Commerce, Tennessee Council on Economic Education, Southeast Educational Improvement Laboratory, and the Tennessee State Board of Education. Topics addressed included the South's rapid population growth, high rate of poverty among children, high unemployment among youth, increase in low-wage jobs, rate of job loss, decline in real earnings, and high dropout rates. Additional discussion dealt with increasing skill requirements for both new and existing jobs, rural and urban economic differences, existing and projected employment opportunities, vocational education needs, and the impact of computers on job skills needed in the work place. This document provides a transcript of the hearing as well as prepared statements, letters, and supplemental materials. (JHZ)

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CHANGING ECONOMICS IN THE SOUTH: PREPARING OUR YOUTH

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HEARING

BEFORE THE

SELECT COMMITTEE ON CHILDREN, YOUTH, AND FAMILIES HOUSE OF REPRESENTATIVES

ONE HUNDREDTH CONGRESS

FIRST SESSION

HEARING HELD IN NASHVILLE, TN, APRIL 24, 1987

Printed for the use of the
Select Committee on Children, Youth, and Families

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CHANGING ECONOMICS IN THE SOUTH: PREPARING OUR YOUTH

FRIDAY, APRIL 24, 1987

House of Representatives,
Select Committee on Children, Youth and Families,
Nashville, TN.

The select committee met, pursuant to notice, at 9 a.m., in hearing rooms 12 and 14, General Assembly Legislative Plaza, Nashville, TN, Hon. George Miller presiding.

Members present. Representatives Miller, Coats and Anthony.

Staff present.—Ann Rosewater, staff director; Karabelle Pizzigati, professional staff; and Gene Sales, minority staff.

Chairman Miller. The Select Committee on Children, Youth and Families will come to order for the purposes of conducting this hearing this morning on the "Changing Economics of the South: Preparing Our Youth."

I would like to say at the outset that the dedication of the members of this committee to this matter is proven in this trip here to Nashville since the Congress finished its work some time around 3 o'clock this morning and there were three of us scheduled to be here and there are three of us here right now. So, we are delighted.

We appreciate the opportunity to be here and especially want to thank Vanderbilt Institute for Public Policy Studies which invited us to Nashville along with Congressman Anthony, who invited us even before then to come down and hold a southern regional hearing so that we would get an opportunity to look at many of the changes that are taking place in the South: the changes in the economy and the ramifications that mean changing employment opportunities; the change of the South to offering more urban than rural employment opportunities; and the fact that the demographics of families are changing just like elsewhere in the United States.

With more and more difficulty maintaining living standards with two parents working and single parents, preparing youth for employment is becoming more and more necessary. We are here because the South has played a very important role with this committee through the Southern Governors' Association and, in particular, the State legislatures, which have led the way in recent years in getting the Congress to understand the kind of investment that has to be made in terms of education and child health and a number of other subject matters that concern the members of this committee.

We appreciate that and we think that many people in other regions of the country would be quite surprised if they were to take a look at these changes that are taking place in the southern region of our country.

With that, I would like to introduce Congressman Dan Coats, who is the ranking minority member of the committee.

[Prepared statement of Congressman Miller follows:]

PREPARED STATEMENT OF HON. GEORGE MILLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, AND CHAIRMAN, SELECT COMMITTEE ON CHILDREN, YOUTH, AND FAMILIES

The Select Committee on Children, Youth, and Families is meeting in Nashville today to hear testimony on the education and employment futures of youth in the South. I would especially like to thank the Vanderbilt Institute for Public Policy Studies for inviting us to Nashville.

Changes in the economy and in the family are reshaping expectations for America's youth.

Agricultural employment has fallen off, heavy manufacturing and textile production have declined or relocated out of the country. Fewer employment opportunities—particularly in the rural south—exist for the current workforce, creating insecurity in the minds of youth preparing to enter the labor market.

The Southern Growth Policies Board has recently reported that new jobs in the south will either fall in the low-paying service sector or in the highly skilled technical areas where trained workers are scarce. Economic growth is concentrated in metropolitan areas of the south, further depressing opportunities in rural areas.

At the same time, in the South, as in all of the United States, living standards for families are declining, requiring greater numbers of mothers to enter the labor force. High divorce rates and the growth of families headed solely by women also require that female youth as well as male youth have equal opportunities for employment and educational success.

During the last 20 years the South has been home to considerable progress in economic and educational achievement. Nonetheless, poverty in this region of the country continues to claim the lives of a disproportionate number of children and their families. Too many teenagers do not complete high school. And median earnings for full-time workers are among the lowest in the country. Both blacks and women continue to face substantial obstacles in attaining educational opportunities and economic security.

To assist us in understanding how best we can prepare all our youth to succeed in a changing economy, we will hear today from a number of experts in education, training, and economic development.

CHANGING ECONOMICS IN THE SOUTH: PREPARING OUR YOUTH—A FACT SHEET

POPULATION GROWTH IN THE SOUTH OUTPACES NATIONAL TRENDS

Between 1980 and 1985, the population in the South increased 7.5 percent compared to 5.4 percent nationally. By the year 2000, southern population rates are projected to climb 31 percent. (Southern Growth Policies Board [SGPB], A Profile of the South, 1986–1987, 1986)

Metropolitan counties in the South are growing twice as fast as rural areas. Most of this growth is occurring as the result of migration rather than live births. (SGPB, After the Factories, Changing Employment Patterns in the Rural South, December 1985)

Thirty-eight percent of persons living in the South reside in rural areas compared to 26% in the U.S. as a whole.

Twenty percent of the population in the South is black compared to 8.9 percent in the rest of the nation. (SGPB), Profile, 1986)

PROVERTY AMONG CHILDREN HIGHEST IN SOUTH

Four out of every 10 poor children in the U.S. live in the South. In 1985, 22.2 percent of children under 18 in the South were poor, a higher proportion than in any other U.S. region. For black children, the poverty rate was 42.6 percent. (U.S. Bureau of the Census, Consumer Population Survey, 1986, unpublished data)

In 1983, nearly 20 percent of the total population in the South lived below the federal poverty level compared to 15.2 percent across the nation. Seven of the ten states with the highest poverty rates are located in the South including MS (27%); AL(23%); LA(22%); ARK(21%); SC(21%); TN(20%) and GA(19%). (SGPB, Profile, 1986)

HIGH RATES OF UNEMPLOYMENT PLAGUE SOUTHERN YOUTH

21.5 percent of southern teens (aged 16–19) were out of work in 1986. Thirty-nine percent of black and other minority teens in the South were unemployed compared to 16.3 percent of white teenagers. More than half of the non-white youth in LA, MS, TN, and ARK were unemployed in 1986. (Bureau of Labor Statistics, [BLS], unpublished data)

LOW WAGE JOBS INCREASE IN THE SOUTH

In 1983, 46 percent of Southern workers were employed in low-wage jobs as office workers (15 percent); service workers (14 percent); sales workers (11.9 percent); and unskilled workers (5.2 percent). This is an increase of 4.5 percent since 1978. Most of this increase came from the growth of sales workers. (SGPB, Recent Occupational Shifts in the South, August 1984)

Women predominate in low-wage employment. Ninety-eight percent of office workers, 70 percent of service workers and 68 percent of all sales clerks in the rural South are female. (Southeast Women's Employment Coalition, [SWEC], Women of the Rural South, 1986)

RURAL AREAS LOSING JOBS FASTER THAN METROPOLITAN AREAS

As a result of automation and global competition, 250 textile plants, most of them located in the rural South, have closed since 1980 and more than 100,000 textile jobs have been lost. (SGPB, Visions of the Future of the South, December 1985)

Between 1977 and 1982, metro counties accounted for more than eighty percent of all the employment growth in the South even though they have only 68 percent of the region's population. (SGPB, After the Factories, December 1985)

Between 1977 and 1982, manufacturing employment dropped as a percentage of total rural employment, from 55 percent to 26 percent. Service sector employment increased from 37 percent to nearly 60 percent. Other sectors of growth included mining (16 percent of total growth) and manufacturing in chemicals, plastics and rubber (eight percent of total job growth.) (SGPB, After the Factories, December 1985)

REAL EARNINGS IN THE SOUTH DECLINE

Between 1978 and 1986, real weekly earnings in the South fell by 8.3 percent. (BLS)

Full-time southern workers in 1986 earned, on average, $321.00 per week. Average weekly earnings for female workers were $264.00 compared to $385.00 for male workers. Black workers averaged $254.00 per week in 1986. (BLS)

In 1980, per capita income in the rural South was $7,735 the lowest of any U.S. region. For blacks, per capita income was $3,203. (SGPB, Report of the Committee on Human Resource Development, 1986)

10.7 percent of hourly workers in the South earn the minimum wage or less. (National Council on Employment Policy, 1986)

HIGH SCHOOL DROP-OUT RATES INCREASE; HIGHER IN RURAL AREAS

In 1985, 65.7 percent of persons in the South completed high school within four years compared to 68.8 percent in 1972. (U.S. Department of Education, State Education Statistics, 1985–1986)

High school drop-out rates are higher in southern rural areas than in southern metropolitan counties. In 1980, half of the population aged 25 and over in rural areas of the south had high school degrees compared to two-thirds of all adults in metropolitan areas. (SGPB, Trends in Education, Spring 1986).

One out of every four adults in the South (and one out of every three black adults) have less than an eighth grade education. (SGPB, Report on the Committee on Human Resource Development, 1986)

As a result of lower high school graduation rates, fewer southerners enter college programs. Only 25 percent of persons in the South completed one to three years of college. 12.6 percent of southerners have completed four or more years. (Office of Educational Research and Improvement, U.S. Department of Education, Digest of Education Statistics, 1985–1986)

Mr. Coats. Nothing formal, just to say that as difficult as it is to sometimes program our schedules to travel outside of Washington, I think it is very important that we do that. We need to go to the places where people are actually doing those jobs on the front line and hear from them, and there is no better way to do it than in their backyard.

So, we are pleased to be here, and we look forward to the testimony of the witnesses of the panels.

Mr. **Anthony**. Thank you, Mr. Chairman. I am pleased to be here. My State is Arkansas. I have visited the southern and western part of Tennessee and actually have a daughter that goes to school in Nashville, but the school did not plan her schedule any better than the Congress planned our voting schedule last night. So, I am going to miss an opportunity to see her.

I think it is important that the committee come to look at what is happening in my State. In 1986, we had 25 plants close, we lost over 3,000 jobs, and in my district, we had 9 plants close and lost 600 jobs. Unemployment and education are burning issues in the State of Arkansas and I think you will find that to be true throughout this region. If we do not have the jobs, if we do not have the economic growth for the future, then where will our youth go. They will be forced to go to your State of California or they will be forced to go to the Northeast, where the jobs are.

This State is probably done a better job than many of the States in this region, though, in terms of industrial prospect and in terms of having industrial jobs created here. I am hoping that the witnesses can share with us some of the proposed solutions so that I can take those solutions back to the State of Arkansas and have our State start reaching the star that it would like to reach, and I would like for our State to grow as prosperously as Tennessee, as California and some of the other States in the Northeast, so that our youth can stay at home and find those jobs and those opportunities.

I thank the chairman for bringing this committee to the Southern States. It will be important. I want to make you aware of one other thing, Mr. Chairman. Super Tuesday will be March 1988. That will be the Presidential election. There will be major emphasis in the Presidential election year, and I think as a result of some of the things that can come out of this hearing today, hopefully many of our Presidential candidates will read this testimony and will capture the spirit of what will be said from these experts, and maybe some of the national policies then will be debated so that we can share with the public more fully the exposed context.

Chairman **Miller**. Thank you.

We will start with the first panel, and if I might just say to all of the witnesses, obviously, our time available has been somewhat compressed because of our late arrival. So, to the extent that the witnesses can think about it, the extent to which you can summarize your statements will leave time for questions by members of the committee. Also we will not get into the position that the very last witnesses find out that they are up against a time limit and we are not able to give adequate attention to that testimony. So, as we start with the first panel and the first witnesses, the others can start looking at their statements.

Your entire statement will be placed in the record of this hearing. In some ways, the more important part of the hearing will be later when the staff and the members analyze the testimony and prepare it for a record of this hearing and also for presentation to the Congress in terms of our special order of presentation, which we try to do after each of these hearings, so that we can get as wide dissemination as possible to individuals who are interested in the subject.

So, if I can just leave you with that and If we can just out of courtesy try to remember that there are other people behind you who will be testifying, but, by the same token, I do not want you to leave out things that are necessary to convey to us this morning.

With that, we will start with panel No. 1, which is made up of Dr. Timothy Bartik, who is an assistant professor of economics, Vanderbilt University; Dr. Roy Forbes, who is from the Southeastern Education Improvement Laboratory, Research Triangle Park, NC; Karen Weeks, who is a research associate with the Tennessee State Board of Education; Dr. John Gaventa, director of research, Highlander Research Center, and assistant professor of sociology at the University of Tennessee; Lamont Carter, who is the president and chief executive officer of the Oak Ridge Chamber of Commerce.

Welcome to the committee. Again, as I say, your formal statements will be included in the record, and, Dr. Bartik, we will start with you.

STATEMENT OF TIMOTHY BARTIK, PH.D., ASSISTANT PROFESSOR OF ECONOMICS, VANDERBILT UNIVERSITY, NASHVILLE, TN

Dr. BARTIK. Thank you. Thank you, Mr. Chairman, members of the committee, members of the audience.

Chairman MILLER. Can everybody hear? No, nobody can hear.

Dr. BARTIK. Oh, OK.

Well, thank you, Mr. Chairman, members of the committee and members of the audience for giving me the opportunity to testify this morning on trends in economic development in the southeast and what they imply for the youth labor market.

I am going to focus on Tennessee because that is what I am most familiar with, but I think a lot of what I am saying has broader applications to the south and to the U.S. as a whole.

There are three major economic development trends in Tennessee that are affecting the youth labor market. The first trend is overall slow economic growth. Tennessee, over the last 15 years, has only been growing at the national average. Most economic forecasts say that over the next 10 years or so, the Tennessee economy will either grow slightly above or slightly below the national average and not dramatically different in either way.

Now, of course, growing at the national average is better than not growing at all, but I would say that is not satisfactory from an economic perspective for two reasons. First of all, overall U.S. economic growth has been slow. So, growing at the average is no great feat. Second, Tennessee is still a very poor state. Per capita income in this State averages about 80 percent of the U.S. average per capita income and pretty much since 1973, Tennessee has stayed there, despite the Saturn plant, despite the Nissan plant. Those things have helped, but it has not been enough to change the overall picture around.

Nashville is a boom town, but that is not characteristic of the overall State economy.

The second trend in Tennessee, economic development trend, is rural decline. The growth in Tennessee is spread very unevenly. Almost two-thirds of the nonmetropolitan counties in Tennessee have greater than ten percent unemployment, double-digit unemployment. On the other hand, less than one-fourth of the metropolitan counties have double-digit unemployment.

So, the rural areas are doing very poorly economically in the State.

The third trend, economic development trend, affecting the youth labor market is increasing skill requirements for many jobs. These increases in skill requirements are caused by both shifts in the types of industries in the State and by changes in the technology that is used within different industries.

Now, what are the underlying causes of these trends? I think if you traced them all back, a lot of them go back to the fact that Tennessee, along with much of the south, or, for that matter, much of the United States, is having a very difficult time adjusting to the internationalization of the U.S. economy, to the fact that we are now in an economy that does have a large share of economic activity affected by exports and imports. Those have gone up tremendously as a percentage of the GNP.

We are facing some very serious international competition, and as a result, that has caused some shifts, dramatic shifts, in the areas in which the U.S. economy specializes. Unfortunately, Tennessee has had trouble responding to those changes of specialization. Let me mention two areas in particular.

First, manufacturing, particularly low-wage manufacturing, in the United States has tended to go overseas or automate, use higher technology that requires less labor. Since World War II, manufacturing and low-wage manufacturing has been the mainstay of jobs in Tennessee. This has been particularly true in rural areas.

The State of Tennessee grew very rapidly, particularly in the fifties and sixties and early seventies, largely due to a growth in these manufacturing jobs, and that occurred in the rural areas as well as urban areas.

Now, today, manufacturing jobs in Tennessee, if you look at the statistics, they are not actually declining overall in the State or in rural areas. They did during the recession in the early eighties, but now they have bounced back from that, but they are not a big source of growth of jobs. They are basically staying around static overall. Of course, even though that overall average, means the total number of manufacturing jobs is not changing, there are many areas in Tennessee that have suffered dramatic losses due to plant closings.

Also, the manufacturing that remains in the State has tended to become higher skilled, and this traditionally has not been a Tennessee strength, highly skilled labor. There are more jobs and more sophisticated industries in the State. Half of the jobs over the next 10 years are expected to be in industries that usually are described as high-tech. Even in the low-wage industries in this State, there is increasing use of technology in order to compete in the world market.

Now, the second area in which shifts in the U.S. economy due primarily to international competition have affected Tennessee is in the business services area. The U.S. economy increasingly is specializing in business services, services to corporate headquarters, such as computer programming, data processing, and that type of thing.

This is a very key growth area of jobs in the United States. The projections are that over the next 10 years, one out of six new U.S. jobs will be in business services. Tennessee has been weak in this area for two reasons.

One. The State is more rural than most States, and rural areas do not attract corporate headquarters, either regional or national, and hence they do not do well in attracting business service industries.

Second. The major cities in Tennessee are not as strong as most cities their size in corporate headquarters and hence they are not as strong in business services. That may be hard to believe in Nashville because we have a number of headquarters here, but overall most of the cities in Tennessee, including Nashville, for that matter, are somewhat weaker in corporate headquarters than an average city in the Northeast would be.

To sum up, these economic development trends have caused problems for the overall Tennessee economy, they have caused problems in rural areas, and they have caused problems in terms of increased job skills. The manufacturing jobs are becoming more job-skill-intensive and even business service jobs do require at least basic literacy and math skills, and in some cases, they are quite sophisticated.

Computer programming requires quite sophisticated type of job skills, even though it is services. It is not true that all the service jobs are low skilled.

Now, the problems posed by these trends for the youth labor market are several, and I am going to indicate what those problems are and suggest the general nature of the types of solutions. I will leave it to other witnesses to talk in more detail about specific programs.

First of all, the biggest problem is just that overall slow growth constrains labor demand for youth, and that really shapes everything else. The biggest thing we have to do is try to see what we can do to increase the overall growth of labor demand, and the biggest thing we can do in that area is to try to somehow reduce the trade deficit.

The biggest step in reducing the trade deficit is reducing the budget deficit. I realize that is not your committee's specific purview, but it is something you deal with in general on Capitol Hill, at least try to.

The second area in which there is a problem is that there is a serious lack of jobs for rural youth caused by these trends. How do we deal with that? Well, in general, we can look at solutions on either the demand side or the supply side.

On the demand side, we need to figure out how do we build up rural areas. Realistically, we are not going to bring an economic boom to every rural county in Tennessee or every rural county in the south. We have to focus in on a few growth poles, a few growth centers, that we can build up so that most rural youth will be within reasonable commuting distances of a decent job.

And the second thing we need to do is be realistic; we are not going to be able to increase labor demand enough in rural areas to absorb all the young people coming into the labor market. We are going to have to figure out on the supply side how do we link youth in rural areas with the urban jobs that are available.

The third area is skills. We need to make a major effort to build up skills, job skills. This is not a traditional strength of Tennessee. What types of skills do we need to build up?

Well, a survey done a few years back by the Job Skills Task Force of the State of Tennessee, a survey that Lamont Carter will talk about in more detail later on, gave some answers to what type of skills are needed. When they polled Tennessee employers and asked them about basic literacy and math skills, 51 percent said they perceived major problems with basic literacy and math.

Fifty-three percent said they had major problems in finding skilled craftsworkers. Forty-two percent said there are major shortages of professional and technical personnel.

So, in all three of these areas, Tennessee is not strong. We need to expressly build up job skills across the board, and I leave it to other witnesses to talk about what types of programs are most effective in doing that.

Thank you, and I will be happy to respond to your questions later on.

[Prepared statement of Dr. Timothy Bartik follows:]

PREPARED STATEMENT OF DR. TIMOTHY J. BARTIK, ASSISTANT PROFESSOR OF ECONOMICS, VANDERBILT UNIVERSITY, NASHVILLE, TN

Mr. Chairman and Members of the Committee: I appreciate this opportunity to testify before you on economic development trends in the Southeastern United States, and how these trends are likely to affect the youth labor market. I will focus most of my discussion on Tennessee, although I believe many of my comments are applicable to the Southeast and the United States as a whole.

My statement will first focus on three major economic development trends affecting the youth labor market in Tennessee: (1) slow overall economic growth since the early 1970s; (2) increasing skill requirements for many jobs; (3) growing rural-urban economic disparities. I will then briefly outline some possible approaches to solving these problems. These solutions are of two general types: policies affecting labor demand, and policies affecting labor supply.

TREND NO. 1: SLOW ECONOMIC GROWTH IN TENNESSEE AND THE EAST SOUTH CENTRAL STATES SINCE THE EARLY 1970S

The myth of a uniformly booming Sunbelt is no longer valid. Tennessee's growth since 1973 has been only around the relatively slow national average, as measured by per capita income, employment, and most other economic indicators. For example, Tennessee's per capita income from 1973 to today has fluctuated between 80% and 83% of the national average, with no consistent upwards or downwards trend. Tennessee's growth slowdown is part of a general economic slowdown that has hurt the East South Central states (Tennessee, Kentucky, Mississippi, and Alabama). The East South Central region in 1984 had the highest unemployment rate of the nine U.S. Census regions, after being third lowest in 1976.

The slowdown follows a long time period during which Tennessee's economy was rapidly catching up with the rest of the nation. From 1947 to 1973, Tennessee's per capita income rose from 67% of the national average to 82%, with two-thirds of this increase taking place from 1962 to 1973.

Average economic growth is, of course, better than no growth. But Tennessee's slowdown has occurred when the state is still almost one-fifth lower than the rest of the U.S. in per capita income.

Current projections are for Tennessee's economic growth to be close to the National average for the next 10 years or so. TVA and University of Tennessee forecasters project Tennessee growth slightly above the national average, while most national forecasters, for example the Bureau of Economic Analysis in the U.S. Commerce Department, expect Tennessee and East South Central growth to be slightly below the national average. Whatever forecast is correct, it seems clear that the state will probably not soon enjoy the rapid growth of the 1960s and early 1970s.

There are two principal causes of this slow economic growth. First, the post-World War II boom of low-wage manufacturing in the South has ended. Manufacturing employment in Tennessee is still doing slightly better than in the U.S. as a whole. TVA statistics indicate that from 1979-85, manufacturing employment in the TVA region (Tennessee plus some counties in the states bordering Tennessee) dropped by only ½ of 1%, while declining 7% in the U.S. But rapid long-term growth in manufacturing employment in Tennessee is no longer occurring or expected to occur.

The lack of growth in manufacturing employment is partly due to shifts of manufacturing production, particularly low-wage manufacturing, to Third World countries. In addition, manufacturing enterprises that remain in the U.S. have improved their labor productivity, which increases their competitiveness but depresses labor demand.

A second cause of Tennessee's slow growth is that the state is relatively weak in business services (computer software and data processing, business consulting services, etc.). The business services industries currently comprise one of the fastest growing sectors in the U.S. economy. According to the Bureau of Labor Statistics, one of six new U.S. jobs between now and 1995 will be created in the business service industries. Tennessee has a 26% lower share of employment in the business services industries than the U.S. average. This weakness is partly due to a smaller degree of urbanization in Tennessee than in the U.S.: Tennessee was almost 40% rural in population in 1980, compared to around 26% in the U.S. The business service industries tend to cluster in large urban centers near corporate headquarters rather than locating in rural areas. Furthermore, Tennessee's major metropolitan areas tend to have a lower share of corporate headquarters than the national average of cities their size.

For the Tennessee youth labor market, slow economic growth, of course, reduces labor demand compared to rapid economic growth. The supply of youth labor is at the same time being reduced because of demographic trends, and thus we might still see some reductions in high youth unemployment rates, but considerably less than would occur with more rapid economic growth. Furthermore, with overall slow growth in Tennessee, we would expect to see some industries, occupations, and regions that will experience absolute declines in labor demand, a topic I turn to next.

TREND NO. 2: INCREASING SKILL REQUIREMENTS FOR BOTH NEW AND EXISTING JOBS

Jobs in Tennessee are increasingly requiring higher skill levels because of several economic changes. First, the manufacturing base in Tennessee is shifting towards industries that require higher job skills. As shown in Table 1, high technology manufacturing provided 80% of the new manufacturing jobs in Tennessee in the late 1970s, and is expected to provide 50% of new manufacturing jobs through 1998.

Second, Tennessee is joining the shift of the national economy towards services, particularly business services, although, as previously mentioned, the state is somewhat behind the rest of the U.S. The service share of employment in Tennessee is expected to be 23% in 1995, up from 19% today. (The corresponding U.S. service employment shares are 25% in 1995 and 22% today.) While the skill content of business service jobs varies a great deal, many of them require at least minimum literacy and computer skills, and some business service jobs require quite high levels of skills (for example, computer programming).

Third, even the traditional lower-wage industries of Tennessee (apparel, textiles, etc.), appear to be shifting to more advanced technology and skill requirements in order to be competitive in the world economy. TVA's forecast in Table 1 that low-wage manufacturing employment in the TVA region will remain stable—a forecast considerably more optimistic than that of most national forecasters—is based, according to TVA, on the belief that the "benefits [of high technology production methods] will be spread more widely, including the 'low-wage' industries such as apparel and textiles." (TVA, *Economic Outlook 1984*, p. 55).

TABLE 1. SOURCES OF NEW MANUFACTURING JOBS IN THE TENNESSEE VALLEY: HISTORICAL TRENDS AND PREDICTIONS

Time period	Total manufacturing	Low wage	High tech	Construction sensitive	Electricity-sensitive
1960 to 1969	26 823	8,509	9,803	7,900	4,004
1969 to 1973	23,495	8,478	8,332	7,190	−828
1973 to 1979	6,115	−3,290	5,167	2,992	610
1979 to 1998 (predicted)	4,699	60	2,255	308	−123

Note.—All figures are in jobs per year. Low-wage industry is apparel, textiles, lumber, furniture, and leather; high-tech industry is instruments, electrical and nonelectrical machinery, rubber and plastics, and chemicals; construction-sensitive industry is lumber, furniture, and stone/clay/glass; electricity-sensitive industry is chemicals and primary metals. Because of overlapping definitions and omitted industries, the total of listed industrial categories does not equal total manufacturing.

Source: Table 16, page 57 in Tennessee Valley Authority, Chief Economist Staff, "Economic Outlook", July 1984.

The shift towards higher skill requirements is at least partially caused by the growth of international trade. In an increasingly interdependent world economy, the U.S. is forced to specialize in industries or segments of industries in which the U.S. has a comparative advantage, and these industries often have a high skill or knowledge component.

Tennessee traditionally has not been strong in skilled labor compared to the rest of the U.S. According to the U.S. Census, only 56% of Tennesseans above the age of 25 are high school graduates, compared to 67% in the U.S. A 1982 survey of employers by the Job Skills Task Force of the State of Tennessee showed that 53% perceived major labor shortages in skilled craft workers, and 42% believed there were major labor shortages in professional and technical personnel. Furthermore, 51% of employers surveyed said they faced a major shortage of applicants with basic math and literacy skills (pp. 25 and 29, Job Skills Task Force report).

Tennessee's problems with skilled labor do not imply that state officials are lying when they boast of the state's work ethic and high worker productivity. Tennessee workers are highly productive—if they are trained. In an interview I conducted for a research study, one executive who had managed plants in both the South and North made the following comments: "It takes longer to get workers trained in the South. You also have to overcome some fears about machinery if all they've done is plucked chickens before. But once they're trained, our company figures that labor productivity is 15% greater in the South compared to the North." Unfortunately for Tennessee, this short-term on-the-job training may no longer be enough for many companies. According to one Tennessee personnel manager, "In the past . . . the work ethic was more important than specific job skills or training. Now, those kinds of people cannot make it. Many assembly line jobs require pretty intelligent people, and too much of the work force does not have the knowledge and skills we need. They may have the work habits, but that does not cut it." (Job Skills Task Force report, p. 6.)

The shortage of skilled labor in Tennessee implies that it is vital for the state to ensure that its youth, the most adaptable segment of the labor force, are adequately trained for tomorrow's jobs. As suggested by the above discussion, the greatest needs in Tennessee appear to be in skilled crafts, professional and technical personnel, and basic literary and math skills.

TREND NO. 3: DISPARITIES IN RURAL AND URBAN ECONOMIC PERFORMANCE IN TENNESSEE

Rural areas in Tennessee are facing much tougher economic conditions than urban areas. In 1986, 44 of the 69 non-metro counties in Tennessee had double-digit unemployment, compared to only 6 of the 26 metro counties. The rural areas with the most serious economic problems are remote from major cities and interstate highways: counties in the Upper Cumberland Plateau area northeast of Nashville, the counties east of Memphis along the Mississippi border, and counties in the Northwest section of the state near the Mississippi River.

The relative rural decline is caused by the same forces that have slowed down Tennessee's economic growth. Overall, manufacturing is not declining in rural Tennessee. TVA figures show that manufacturing employment in the non-metro counties of the TVA region increased by 4/10ths of 1% from 1979–85, compared to a 7% decline in the U.S. But the rural branch plant boom of the 1960s has ended. It was this manufacturing boom that enabled the state to remain almost 40% rural even though Tennessee's share of personal income from agriculture is one-third less than the U.S. average.

Another serious problem for rural areas in Tennessee is their inability to attract the growing business service industries. From 1977–83, TVA figures show that employment in producer services (business services and related industries) grow at an annual rate of 1.5% in the non-metro counties of the TVA region, less than half the growth rate for metro counties in the region.

The obvious consequence of rural decline in Tennessee for the youth labor market is that many rural young people will be forced to migrate to larger urban areas to get a job. This migration has social costs for both the destination and origin communities, as well as for the migrants' families. For those rural young people who decide not to migrate, there is a high probability of chronic underemployment or unemployment.

GENERAL APPROACHES TO SOLVE THESE LABOR MARKET PROBLEMS IN TENNESSEE

I will focus here on very briefly and quite generally outlining possible approaches to dealing with these youth labor market problems in Tennessee. I leave it to others more knowledgeable than myself to discuss specific programs. These solutions fall into two categories, those focused on labor demand, and those focused on labor supply.

Turning first to labor demand, there would appear to be three major possible approaches. First, Tennessee's economy would benefit greatly from a reduction in the U.S. federal deficit, which would in turn reduce the U.S. trade deficit. Tennessee is second only to North Carolina in the Southeast in the share of its manufacturing that depends on exports, and many of its non-exporting industries are very sensitive to imports. Because Tennessee is a low-income state with relatively little defense industry, Tennessee would benefit most, taking a narrow economic perspective, from a reduction in the budget deficit through personal income tax increases and defense cuts.

Second, labor demand in some rural areas of Tennessee could be increased by building additional interstate highways to serve as job corridors. The state has already started on an ambitious road-building program that will accomplish this to some extent.

Third, the state could seek to selectively build up some of the smaller urban centers in rural Tennessee, with the goal of providing reasonable commuting access to urban "growth poles" for most Tennesseans. It is probably unrealistic to expect most rural counties in the state to grow rapidly in employment, given their lack of urban amenities. But the prospects for some smaller cities/large towns are brighter. Better roads to these selected "growth poles," modest tax incentives for firms that locate near these targeted areas, and state encouragement of stronger multicounty planning would all be helpful initiatives.

Turning to labor supply, the above discussion implies two general approaches to the youth labor market problems in Tennessee. First, schools and other educational/training programs must do a better job of providing young people with basic literacy and math skills, as well as with the skills needed for skilled crafts jobs and professional/technical jobs. Second, there will likely be a growing need for linking rural youth with possible jobs in urban areas. No matter what is done to increase labor demand in rural areas, some migration will be needed to better match labor demand and labor supply. It would seem appropriate for government, in a modest way, to assist young people in making this adjustment.

Chairman MILLER. Thank you.

Dr. Forbes.

STATEMENT OF ROY FORBES, PH.D., SOUTHEASTERN EDUCATION IMPROVEMENT LABORATORY, RESEARCH TRIANGLE PARK, NC

Dr. FORBES. Thank you. Good morning.

I am Roy Forbes. I serve as the executive secretary of the Southern Rural Education Association and work as a consultant to the Southeastern Education Improvement Laboratory in the Research Triangle Park area in North Carolina.

I also serve as a coordinator of a consortium in North Carolina that is planning a program to help teachers understand more of the concepts of teaching thinking skills and strategies for learning.

Today, I want to provide a very brief overview of education in the southeast. The focus will be on where we are, some reasons for why we lag behind the rest of the country. We will look at what is happening to reform education in the southeast and some suggestions about what is needed to make the southeastern education a success story.

The south, especially the rural south, is playing an educational catchup game. National assessment data on student performance has historically shown the southeast lagged behind the other regions of the country. The gap may be closing, but the gap remains.

A quick review of the statistics of the number of ninth grade students who complete high school is probably the most dramatic way to demonstrate the catchup position of the southern states. The national high school graduation rate in 1984 was 70.9 percent. Only two States in the South were above the national average, and those were Virginia and Arkansas.

The rate for Tennessee was very close, by the way, 70.45 percent, but it was still below the national average. North Carolina, 69.3, Kentucky, 68.4 It ranges on down to Florida, with 62.2 and Alabama 62.1.

Now, a rate of 70.9 means that 71, approximately 71 students of every 100 were in the ninth grade 4 years before graduating from high school. That record is not anything to be proud of nationally, and the record in the Southern States is a disgrace.

Is there a reason for these differences in the South from the rest of the country? Are there reasons why the South is having to play an educational catchup game? I believe there are several. Some of them are things we will talk about.

Historically, probably as late as 1970, education was used as a control mechanism in the South. During the time of slavery, it was not acceptable to teach blacks how to read, the ability to read was correctly viewed as a means to gain information that could lead to power. Illiteracy was a tool used to keep blacks in their place.

Following the Civil War, education continued to be used as a control mechanism, and there was nothing equal about the separate but equal philosophy that was accepted practice until 1954.

The controls through education are more appropriately phrased as controls from lack of education. It is not only used to keep the blacks in their place, but it was also used to keep whites in the textile mills. It was used to maintain a cheap labor supply for our industrial plantations.

Even today, there are locations where this philosophy continues to influence what has happened in education. This control mentality created an environment that placed a limited value on education. It created an environment that limited the resources that went into public, elementary, and secondary education, and the consequences are still present.

1985-1986, the estimated national per pupil expenditure was $3,675. A quick listing of some of the southern states highlight one of the consequences of the control through lack of education philosophy. Florida spends a little above the national average, 101 percent. Florida is the exception; North Carolina spends 92 percent of the national average; Virginia 87; Georgia, 81; it ranges on down to Mississippi spending 63 percent of the national average.

Money is not the only way to measure value placed on education, but it certainly is a strong indicator.

Higher education has not been used in the same way as elementary and secondary education as a control mechanism. Those given the learning opportunities necessary to enable them to continue their educational process at institutes of higher education have been able to do so.

It is interesting to compare the national rankings of states according to how they place and per pupil expenditure of elementary-secondary and for higher education. The per pupil data for higher education from 1983-84 and those from elementary-secondary in 1985-86, although caution is required, but I think the comparisons are still valid.

The four most striking cases are North Carolina, Georgia, South Carolina, Kentucky. North Carolina ranks 28th in the amount of money spent on elementary-secondary education. It ranks eighth in State supported per pupil expenditures for higher education. The rankings in Georgia are 37 and 6. The rankings in South Carolina are 40th and 9th, and the rankings in Kentucky are 42d and 7th.

These differences did not occur overnight. They are the results of many decisions made over a long period of time, and I suggest that they purport to control through education theory that helps to explain why the South is having to play the educational catchup game.

The South is having to play this educational catchup game as a consequence of historical decisions based on economic considerations. Today, there is a different set of economic considerations and today decisions are being made to place a higher value on education. In most places, education is no longer a control mechanism. It is viewed as an important factor in the economic well-being of the region.

Education reform has become the buzz word of the eighties and reform certainly has swept the South and some even suggest that the South has led the country in the reform movement. One can take a look at the various reforms and place them in about five different categories, which I have included in my formal remarks, which I will not review right at this time, but the reforms have been necessary and the reforms need to continue, but as new guidelines and regulations are implemented, problems are created for especially the rural schools.

For example, in North Carolina, the funding formulas associated with basic education programs do not work when the size of the school falls below 350 students. Requirements relating to teacher certification do not work in schools where the same teacher is responsible for teaching both physical and biological sciences in all grades 7 through 12.

These are just some—two of the challenges that are facing rural education as the reform movement reaches the Southeast. Will the current reform movement be sufficient to close the gap between the South and the rest of the country? In the current form, I suggest that the answer is no. It will close the academic spaces in the skills gap, but the economic future of the region will depend on the ability of the population to use basic skills, to be able to successfully participate in company-operated employment training, to be able to think. Basic skills need to be redefined to include learning to learn skills, reasoning and problem-solving.

The South should not be playing a catchup game. It should be developing a leap-frog strategy. Without such a strategy, rural areas within the South can become Third World regions. The needs for educational improvement in the Southeast are understood by rural educators, by school board members. This was obvious in the survey that was recently completed by the National Task Force for Small Rural Schools.

The Southeast led the country in its perception of the needs, especially for those students who are at risk, and it also understood the need for the teaching of thinking and reasoning skills.

Now is the time for us to take some action. Now is the time for the leap-frog strategy. It is ironic that what I am probably suggesting is that we think of education once more as being an economic control mechanism, not to maintain the current situation as it was used in the past, but enable the south to move into a new economic order.

This is necessary especially for the rural regions, if those young people are going to be able to successfully participate in an information service-based economy. I believe that the mechanisms for implementing a leap-frog strategy are available, and I believe that the strategy must be regional in nature given the history of the south. What is needed is strong leadership at the State and local levels, leaders who understand the importance of such a strategy. This is necessary to gain the public support that is going to be required.

State and local districts should have the responsibility for developing and implementing strategies and programs, but there is also a role for the Federal Government. Technical assistance needs to be provided. Technical assistance based on models, techniques, and training, and not based on directives, guidelines, and requirements.

I am optimistic about the possibility of leap-frog programs. The South can close the basic skills gap and at the same time respond to the needs of a new economic order. It will require creative leadership and a financial commitment, but it can be done.

Thank you.

[Prepared statement of Dr. Roy Forbes follows:]

PREPARED STATEMENT OF DR. ROY H. FORBES, EXECUTIVE SECRETARY, SOUTHERN RURAL EDUCATION ASSOCIATION, RURAL EDUCATION CONSULTANT, SOUTHEASTERN EDUCATIONAL IMPROVEMENT LABORATORY, RESEARCH TRIANGLE PARK, NORTH CAROLINA

GOOD MORNING. I AM ROY FORBES. I SERVE AS THE EXECUTIVE SECRETARY OF THE SOUTHERN RURAL EDUCATION ASSOCIATION AND AS A CONSULTANT TO THE SOUTHEASTERN EDUCATIONAL IMPROVEMENT LABORATORY FOR THEIR RURAL EDUCATION PROGRAM. I ALSO SERVE AS THE COORDINATOR OF A CONSORTIUM IN NORTH CAROLINA THAT IS PLANNING A STAFF DELEVOPMENT PROGRAM DESIGNED TO ASSIST TEACHERS IN UNDERSTANDING CONCEPTS PERTAINING TO TEACHING "THINKING FOR LEARNING."

TODAY I WANT TO PROVIDE A BRIEF OVERVIEW OF EDUCATION IN THE SOUTHEAST. THE FOCUS WILL BE ON WHERE WE ARE, SOME REASONS FOR WHY WE LAG BEHIND OTHER REGIONS IN THE COUNTRY, A LOOK AT WHAT IS HAPPENING TO REFORM EDUCATION, AND SOME SUGGESTIONS ABOUT WHAT IS NEEDED TO MAKE THE SOUTHEAST AN EDUCATIONAL SUCCESS STORY.

THE SOUTH, SPECIALLY THE RURAL SOUTH, IS PLAYING AN EDUCATIONAL CATCH UP GAME. NATIONAL ASSESSMENT DATA ON STUDENT PERFORMANCE HAS HISTORICALLY SHOWN THE SOUTHEAST TO BE BEHIND THE OTHER REGIONS OF THE COUNTRY. THE GAP MAY BE CLOSING, BUT THE GAP REMAINS.

A QUICK REVIEW OF THE STATISTICS ON THE NUMBER OF NINTH GRADE STUDENTS WHO COMPLETE HIGH SCHOOL IS PROBABLY THE MOST DRAMATIC WAY TO DEMONSTRATE THE CATCH UP POSITION OF SOUTHERN STATES. THE NATIONAL HIGH SCHOOL GRADUATION RATE IN 1984 WAS 70.9 PERCENT. THE RATE IN VIRGINIA WAS ABOVE THE NATIONAL AVERAGE. VIRGINIA'S RATE WAS 74.7, BUT VIRGINIA WAS A SOUTHERN EXCEPTION. THE RATE IN TENNESSEE WAS 70.5, CLOSE, BUT BELOW THE NATIONAL AVERAGE.

NORTH CAROLINA WAS 69.3, KENTUCKY WAS 68.4, SOUTH CAROLINA WAS 64.5, GEORGIA WAS 63.1, MISSISSIPPI WAS 62.4, FLORIDA 62.2, AND ALABAMA WAS 62.1. THE NATIONAL RATE OF 70.9 MEANS THAT APPROXIMATELY SEVENTY-ONE OF EVERY ONE HUNDRED STUDENTS WHO WERE ENROLLED IN THE NINTH GRADE COMPLETED HIGH SCHOOL. THIS IS NOT A RECORD OF WHICH TO BE PROUD. THE SOUTHERN RECORD IS A DISGRACE.

IS THERE A REASON FOR THIS DIFFERENCE? ARE THERE REASONS WHY THE SOUTH IS HAVING TO PLAY AN EDUCATIONAL CATCH UP GAME? I BELIEVE THAT THERE ARE SEVERAL.

HISTORICALLY, PROBABLY AS LATE AS 1970, EDUCATION HAS BEEN USED AS A CONTROL MECHANISM IN THE SOUTH. DURING THE TIME OF SLAVERY IT WAS NOT ACCEPTABLE TO TEACH BLACKS HOW TO READ. THE ABILITLY TO READ WAS CORRECTLY VIEWED AS A MEANS TO GAIN INFORMATION THAT COULD LEAD TO POWER. ILLITERACY WAS A TOOL USED TO KEEP BLACKS "IN THEIR PLACE." FOLLOWING THE CIVIL WAR, EDUCATION CONTINUED TO BE USED AS A CONTROL MECHANISM. THERE WAS NOTHING EQUAL ABOUT THE SEPARATE BUT EQUAL PHILOSOPHY THAT WAS THE ACCEPTED PRACTICE UNTIL 1954.

THIS CONTROL THROUGH EDUCATION OR MORE APPROPRIATELY PHRASED AS CONTROL THROUGH LACK OF EDUCATION WAS NOT ONLY USED TO KEEP BLACKS "IN THEIR PLACE," IT WAS ALSO USED TO KEEP WHITES IN THE TEXTILE MILLS. IT WAS USED TO MAINTAIN A CHEAP LABOR SUPPLY FOR INDUSTRAL "PLANTATIONS."

EVEN TODAY, THERE ARE LOCATIONS WHERE THIS PHILOSOPHY CONTINUES TO INFLUENCE WHAT IS HAPPENING IN EDUCATION.

THIS CONTROL MENTALITY CREATED AN ENVIRONMENT THAT PLACED A LIMITED VALUE ON EDUCATION. IT CREATED AN ENVIRONMENT THAT LIMITED THE RESOURCES THAT WENT INTO PUBLIC ELEMENTARY AND SECONDARY EDUCATION. THE CONSEQUENCES ARE STILL PRESENT.

IN 1985-86 THE ESTIMATED NATIONAL PER PUPIL EXPENDITURE WAS $3,675. A QUICK LISTING ON SOME OF THE SOUTHERN STATES HIGHLIGHTS ONE OF THE CONSEQUENCES OF THE CONTROL THROUGH LACK OF EDUCATION PHILOSOPHY. FLORIDA SPENDS $3,731 PER PUPIL, OR 101 PERCENT OF THE NATIONAL ESTIMATE. FLORIDA IS AN EXCEPTION. NORTH CAROLINA SPENDS 92 PERCENT OF THE NATIONAL AVERAGE, VIRGINIA 87 PERCENT, GEORGIA 81 PERCENT, SOUTH CAROLINA 79 PERCENT, KENTUCKY 78 PERCENT, TENNESSEE 69 PERCENT, ALABAMA 68 PERCENT AND MISSISSIPPI 63 PERCENT.

MONEY CERTAINLY IS NOT THE ONLY WAY TO MEASURE VALUE PLACED ON EDUCATION, BUT IT IS A STRONG INDICATOR.

HIGHER EDUCATION HAS NOT BEEN USED IN THE SAME WAY AS ELEMENTARY AND SECONDARY EDUCATION AS A CONTROL MECHANISM. THOSE GIVEN THE LEARNING OPPORTUNITIES NECESSARY TO ENABLE THEM TO CONTINUE THEIR EDUCATIONS AT INSTITUTIONS OF HIGHER EDUCATION WERE ABLE TO DO SO.

IT IS INTERESTING TO COMPARE NATIONAL RANKINGS OF STATES ACCORDING TO HOW THEY PLACE IN PER PUPIL EXPENDITURES FOR ELEMENTARY AND SECONDARY SCHOOLS AND FOR HIGHER EDUCATION. THE PER PUPIL DATA FOR HIGHER EDUCATION IS FOR 1983-84, WHILE THE DATA FOR ELEMENTARY AND SECONDARY IS FOR 1985-86, SO CAUTION IS REQUIRED, BUT BY USING RANKINGS INSTEAD OF DOLLAR AMOUNTS, THE COMPARISON SHOULD NOT BE TOO FAR OFF TO BE CONSIDERED VALID.

THE FOUR MOST STRIKING CASES ARE NORTH CAROLINA, GEORGIA, SOUTH CAROLINA AND KENTUCKY. NORTH CAROLINA RANKS 28TH IN ELEMENTARY/SECONDARY PER PUPIL EXPENDITURE. IT RANKS 8TH IN STATE SUPPORTED PER PUPIL EXPENDITURE FOR HIGHER EDUCATION. THE RANKINGS FOR GEORGIA ARE 37TH AND 6TH. THE RANKINGS FOR SOUTH CAROLINA ARE 40TH AND 9TH. THE RANKINGS FOR KENTUCKY ARE 42ND AND 7TH.

THESE DIFFERENCES DID NOT OCCUR OVERNIGHT. THEY ARE THE RESULT OF MANY DECISIONS MADE OVER A LONG PERIOD OF TIME. I SUGGEST THAT THEY SUPPORT THE CONTROL THROUGH EDUCATION THEORY THAT HELPS TO EXPLAIN WHY THE SOUTH IS HAVING TO PLAY THE EDUCATIONAL CATCH UP GAME.

THE SOUTH IS HAVING TO PLAY AN EDUCATIONAL CATCH UP GAME AS A CONSEQUENCE OF HISTORICAL DECISIONS BASED ON ECONOMIC CONSIDERATIONS. TODAY THERE IS A DIFFERENT SET OF ECONOMIC CONSIDERATIONS AND TODAY, DECISIONS ARE BEING MADE THAT PLACE A HIGHER VALUE ON EDUCATION. IN MOST PLACES, EDUCATION IS NO

LONGER A CONTROL MECHANISM. IT IS VIEWED AS AN IMPORTANT FACTOR IN THE ECONOMIC WELL BEING OF THE REGION.

EDUCATION REFORM HAS BEEN THE BUZZ WORD OF THE 1980'S. REFORM HAS SWEPT THE SOUTH. SOME EVEN SUGGEST THAT THE SOUTH HAS LED THE COUNTRY IN THE REFORM MOVEMENT.

THERE ARE FIVE CATEGORIES OF NEW GUIDELINES, RULES AND REGULATIONS CONTAINED IN THESE REFORMS:

> ACCOUNTABILITY DEFINED IN TERMS OF STUDENT PERFORMANCE, TEACHER EVALUATION, AND ADMINISTRATOR EVALUATION.
>
> STANDARDS FOR STUDENTS DEFINED IN TERMS OF GRADUATION EXAMS, COMPETENCY BASED PROGRAM, END-OF-COURSE EXAMS, PROMOTION REQUIREMENTS, AND COURSE REQUIREMENTS.
>
> STANDARDS FOR LEARNING OPPORTUNITIES DEFINED IN TERMS OF THE NUMBER AND KINDS OF OPPORTUNITIES REQUIRED, THE LENGTH OF INSTRUCTIONAL TIME PROVIDED, AND TIME-ON-TASK REQUIREMENTS.
>
> STANDARDS FOR STAFF DEFINED IN TERMS OF CREDENTIALS AND STAFF DEVELOPMENT REQUIREMENTS.
>
> AND

STANDARDS FOR SERVICES PROVIDED FOR STUDENTS DEFINED IN TERMS OF FACILITIES, INSTRUCTIONAL RESOURCES AND SUPPORT SERVICES.

REFORM WAS AND IS NECESSARY. REFORM NEEDS TO CONTINUE. BUT AS NEW GUIDELINES AND REGULATIONS ARE IMPLEMENTED, PROBLEMS CREATED BY THE REFORMS ARE BEGINNING TO BE IDENTIFIED. THIS IS ESPECIALLY TRUE IN RURAL EDUCATION. FOR EXAMPLE, IN NORTH CAROLINA THE FUNDING FORMULA ASSOCIATED WITH THE BASIC EDUCATION PROGRAM DOES NOT WORK FOR HIGH SCHOOLS OF LESS THAN 350 STUDENTS. REQUIREMENTS RELATING TO TEACHER CERTIFICATION DO NOT WORK IN SCHOOLS WHERE THE SAME TEACHER IS RESPONSIBLE FOR TEACHING BOTH PHYSICAL AND BIOLOGICAL SCIENCES IN GRADES SEVEN THROUGH TWELVE. THE LIST OF CHALLENGES FOR RURAL EDUCATION CONTINUES TO GROW. WAYS MUST AND WILL BE FOUND TO RESPOND.

WILL THE CURRENT REFORM MOVEMENT BE SUFFICIENT TO CLOSE THE GAP BETWEEN THE SOUTH AND THE REST OF THE COUNTRY. IN ITS CURRENT FORM, I SUGGEST THAT THE ANSWER IS NO.

IT WILL CLOSE THE ACADEMIC BASIC SKILLS GAP. BUT THE ECONOMIC FUTURE OF A REGION WILL DEPEND UPON THE ABILITY OF THE POPULATION TO USE BASIC SKILLS, TO BE ABLE TO SUCCESSFULLY PARTICIPATE IN COMPANY OPERATED EMPLOYMENT TRAINING, TO BE ABLE TO THINK. BASIC SKILLS NEED TO BE REDEFINED TO INCLUDE LEARNING-TO-LEARN SKILLS, REASONING, AND PROBLEM SOLVING.

THE SOUTH SHOULD NOT BE PLAYING A CATCH UP GAME, IT SHOULD BE DEVELOPING A "LEAP FROG" STRATEGY. WITHOUT SUCH A STRATEGY, RURAL AREAS WITHIN THE SOUTH CAN BECOME "THIRD WORLD REGIONS."

THE NEED FOR EDUCATIONAL IMPROVEMENTS IN THE SOUTHEAST ARE UNDERSTOOD BY RURAL EDUCATORS AND SCHOOL BOARD MEMBERS. THIS IS OBVIOUS FROM THE RESULTS OF A SURVEY RECENTLY COMPLETED BY THE NATIONAL TASK FORCE FOR RURAL, SMALL SCHOOLS. THE SOUTHEAST LED THE NATION IN PERCEIVING THAT THE PERFORMANCE OF STUDENTS FROM LOW INCOME FAMILIES AND THAT THE NEED TO TEACH ALL STUDENTS THINKING AND REASONING SKILLS WERE MAJOR NEEDS. PERCEIVING NEEDS IS THE FIRST STEP TOWARD ACTION. NOW IS THE TIME TO TAKE THE NEXT STEP.

ITS IRONIC, BUT WHAT I AM SUGGESTING IS THAT EDUCATION BE VIEWED AS AN ECONOMIC CONTROL MECHANISM, NOT TO MAINTAIN THE CURRENT ECONOMIC ORDER, BUT TO ENABLE THE SOUTH TO MOVE INTO A NEW ECONOMIC ORDER. THIS IS NECESSARY, IF RURAL REGIONS ARE GOING TO PARTICIPATE SUCCESSFULLY IN AN INFORMATION, SERVICE BASED ECONOMY.

I BELIEVE THAT THE MECHANISMS FOR IMPLEMENTING A "LEAP FROG" STRATEGY ARE AVAILABLE. I BELIEVE THAT THE STRATEGY MUST BE REGIONAL IN NATURE GIVEN THE HISTORY OF THE SOUTH. WHAT IS NEEDED IS STRONG LEADERSHIP AT THE STATE AND LOCAL LEVELS WHO UNDERSTAND THE IMPORTANCE OF A "LEAP FROG" STRATEGY. THIS IS NECESSARY TO GAIN THE PUBLIC SUPPORT THAT WILL BE REQUIRED.

STATES AND LOCAL DISTRICTS SHOULD HAVE THE RESPONSIBILITY FOR DEVELOPING AND IMPLEMENTING STRATEGIES AND PROGRAMS, BUT THERE IS A ROLE FOR THE FEDERAL GOVERNMENT. TECHNICAL ASSISTANCE NEEDS TO BE PROVIDED. TECHNICAL ASSISTANCE BASED ON MODELS, TECHNIQUES, AND TRAINING AND NOT BASED ON DIRECTIVES, GUIDELINES AND REQUIREMENTS.

I AM OPTIMISTIC ABOUT THE POSSIBILITY OF "LEAP FROG" PROGRAMS. THE SOUTH CAN CLOSE THE BASIC SKILLS GAP AND AT THE SAME TIME RESPOND TO THE NEEDS OF A NEW ECONOMIC ORDER. IT WILL REQUIRE CREATIVE LEADERSHIP AND A NEW FINANCIAL COMMITMENT, BUT IT CAN BE DONE.

THANK YOU.

Chairman. MILLER. Thank you.
Ms. Weeks.

STATEMENT OF KAREN WEEKS, RESEARCH ASSOCIATE, TENNESSEE STATE BOARD OF EDUCATION, NASHVILLE, TN

Ms. WEEKS. Thank you.

I think my remarks will tie in very closely with the comments of the previous two speakers.

I am Karen Weeks, and I speak on behalf of the Tennessee State Board of Education.

In my remarks I will address four issues which the State Board of Education believes are critically important in creating policy for education: The link between economic health and good schools; the reform efforts currently underway; the results accomplished to date; and, finally, sustaining the momentum for improvement.

As Dr. Forbes has suggested, Tennessee, as well as other Southern States, has recognized that economic prosperity is ultimately linked to an educated citizenry and to good schools. In the mid-1980's, a number of Southern States embarked on rather ambitious reform programs.

The leadership for this effort came from Governors, from legislators, and from educators who were acutely aware of this link between economic health and the health of schools. The task is enormous, however, given the past era of neglect to which Dr. Forbes has alluded.

It is important to understand that, in States with limited resources, such as Tennessee, simply applying more money to the task is not enough. It is important to do things differently. Most of the reforms adopted in Tennessee and elsewhere were grounded on the premise that all children can learn. A body of research known as the effective schools research has demonstrated, for example, that economically disadvantaged children, when they are taught in schools with certain characteristics, could indeed achieve at grade level.

These characteristics seem fairly obvious and are by now well known. An effective school is characterized by shared goals, high expectations, an effective principal, and a school climate that supports teaching and learning.

The difficult task for policy makers, both at the State level and the Federal level, is to create the conditions and to provide the training and resources to enable all schools to become effective schools. Most states in this region have undertaken ambitious programs, including initiatives directed at a fairly clear set of priorities that have been embraced by our Board. The priorities set in Tennessee have been student achievement, effective teaching, school leadership, teacher education, parent involvement, and adequate funding. These priorities are delineated in the Board's Master Plan and specific strategies have been adopted to accomplish them.

My remarks will focus on the Board's first priority, which is student achievement. Tennessee has adopted some far-reaching curricular changes and they can be summed up very succinctly in the phrase "get it right the first time". The intent of Tennessee's Basic

Skills First Program in reading and math in grades 1 through 8 is to ensure that specific learning objectives are mastered at each grade level and that no child slips through the cracks.

If we can sustain the level of achievement that we are now seeing in the early grades, we hope to move away from the excessive need for remediation as all children develop each year the competencies that are necessary for continued success in school.

Similarly, at the high school level, we are working to implement curricular changes. The State Board of Education and the State universities are working in a collaborative effort to ensure that high school students who plan to enter college have mastered the academic subjects and the competencies required for success in college, as defined by the College Board.

These same competencies were subsequently endorsed by a National Task Force of Business Leaders as also being needed for students who are entering the world of work directly, and I think this is a very important point. Coincidentally, a statewide task force reached a similar conclusion, that vocational education must emphasize the mastery of basic competencies, such as the ability to read, comprehend, interpret written materials, and the ability to reason and solve problems. These are the critical skills that are needed to fill the jobs to which Dr. Bartik referred. These conclusions are reflected in the State Board of Education policy on vocational education adopted in September, 1985.

In addition, Tennessee is implementing two pilot courses, Mathematics for Technology and Principals of Technology. These are vocational courses that stress problem-solving and the application of math and physics concepts. The tentative results have been very positive.

Well, what then have been the results with respect to student achievement? In adopting the Comprehensive Education Reform Act, in 1984, the legislature specified nine goals for education K through 12 to be achieved over a five year period. The State Board of Education and the State Department of Education report annually to the legislature regarding progress in meeting those goals.

In order to measure progress toward meeting the goals and improve instruction, Tennessee has implemented a testing program that includes both criterion referenced tests and norm referenced tests. Considerable gains have been made particularly in the early years in which the children have been exposed for most of their schooling to these new programs.

The task, though, is to sustain that level of achievement of the young children as they move through middle grades and high schools for we know that success in school is an important predictor of school completion. The best dropout prevention program is an academic program that successfully reaches all students.

Tennessee's estimated dropout rate has remained relatively stable, but too high, over the last five years. Clearly, we must do more to reach students who do not complete high school.

How can states, such as Tennessee, sustain the momentum for improvement in education and improvement of the life chances of all of our students? The State Board of Education believes very strongly in setting clear expectations about results and allowing the professionals the flexibility to accomplish the task.

The States' role is to establish expectations, to provide technical expertise, to provide resources to accomplish the task, and to provide the public with information about how well the schools are doing. The latter is being done issuing to each school system a comprehensive report on progress on a variety of indicators, including both achievement data and demographic data. By providing local communities with this information about how well their schools are doing, it is hoped that citizens will be forces for change in their local communities.

But the State must not be overly prescriptive with respect to process. We cannot run schools from Nashville. We must enhance the capacity of local leaders and teachers. We can be most helpful in assuring that teachers are well prepared and in recruiting and retaining well-qualified teachers and leaders, and here is where I see the opportunity for the Federal Government to make a difference.

I applaud your recent efforts with respect to the Congressional Teacher Scholarship Program. I think this is something that we need very much in States like Tennessee. We have a critical shortage of minority teachers, and I think States across the Southeast are facing this problem. There is an appropriate Federal role in helping States train teachers through forgivable loans, such as in the current program, but this needs to be greatly expanded to meet the need.

The Federal role in the school improvement effort has been focused primarily on providing assistance to carefully targeted groups: Educationally and economically disadvantaged students, handicapped students, vocational education students, and other groups. The Federal resources are very important to States such as Tennessee. In Tennessee, for example, they account for roughly 11 percent of our total school expenditures.

As you develop new initiatives or modify existing programs, consider allowing States and local communities greater flexibility so that States can implement programs in ways to ensure that all children who need the services do, in fact, receive them. Consider setting expectations about what you want to accomplish and allowing states and local communities to develop the procedures responsive to local conditions.

This is not a new refrain, but I believe that States and local communities have developed the capacity to implement programs effectively and, more importantly, I think they are now committed to the premise that all children can learn and that we owe all children the opportunity to lead useful and productive lives.

Thank you.

[Prepared statement of Karen Weeks follows:]

Prepared Statement of Karen H. Weeks, Research Associate, Tennessee State Board of Education, Nashville, TN

Chairman Miller and members of the Select Committee on Children, Youth, and Families, I am pleased to have the opportunity to testify on the topic "Changing Economics in the South: Preparing Our Youth". I speak on behalf of the Tennessee State Board of Education. The present Board was created by legislation enacted in 1984 and was given wide ranging authority to establish policy in education in grades K-12.

In my remarks I will address four issues which the State Board of Education believes are critically important in creating policy for education: the link between economic health and good schools; the reform efforts currently underway; the results accomplished to date; and sustaining the momentum for improvement.

In Tennessee, as well as in other southern states, there is a clear recognition that economic prosperity is ultimately linked to an educated citizenry and to good schools. In the mid-1980's most southern states embarked upon comprehensive efforts to improve education. The leadership of this effort came from governors, legislators, and educators. The task is enormous, however, given the level of support for public schools in the past. It is important to understand that, in states with limited resources, simply applying more money to the task is not enough. It is important to do things differently.

Most of the reforms adopted in Tennessee and elsewhere were grounded on the premise that all children can learn. A body of research known as the effective schools research demonstrated, for example, that economically disadvantaged children when taught in schools with certain characteristics could indeed achieve at grade level. These characteristics seem fairly obvious and are by now well known. An effective school is characterized by shared goals, high expectations, an effective principal, and a school climate that supports teaching and learning.

The task for policy makers, both at the state level and the federal level, is to create the conditions and provide the training and resources to enable all schools to become effective schools. Most states in this region have undertaken ambitious programs including initiatives directed, for example, toward the priorities set forth by the Tennessee State Board of Education: student achievement, effective teaching, school leadership, teacher education, parent involvement, and funding. These priorities are delineated in the Board's Master Plan for

Public Education K-12 and specific strategies have been adopted to accomplish them.

My remarks will focus on the Board's first priority, student achievement. Tennessee has adopted some far reaching curricular changes. They can be summed up very simply in the phrase: "Get it right the first time." The intent of Tennessee's Basic Skills First program in reading and mathematics in grades 1-8 is to ensure that specified learning objectives are mastered at each grade level and that no child "slips through the cracks". If we can sustain the level of achievement that we are now seeing in the early grades, we hope to move away from the excessive need for remediation as all children develop each year the competencies that are necessary for continued success in school.

Similarly, at the high school level we are working to implement curricular changes. The State Board of Education and the state universities are working in a collaborative effort to ensure that high school students who plan to enter college have mastered the academic subjects and the competencies required for success in college, as defined by The College Board. These competencies were subsequently endorsed by a national task force of business leaders as being needed also for students entering the world of work upon graduation from high school.

A statewide task force on vocational education reached a similar conclusion, that vocational education must also emphasize the mastery of basic competencies such as the ability to read, comprehend, and interpret written materials, and the ability to reason and solve problems. These conclusions are reflected in the State Board of Education policy on vocational education adopted on September 27, 1985. In addition, Tennessee is currently piloting two courses, Mathematics for Technology and Principles of Technology, which stress problem solving and the application of mathematics and physics concepts.

What have been the results with respect to student achievement? In adopting the Comprehensive Education Reform Act in 1984, the legislature specified nine goals for education K-12 to be achieved over a five year period. The State Board of Education and the State Department of Education report annually to the legislature in a joint report entitled "Student, Teacher, and School Performance". In order to measure progress toward the goals and in order to improve instruction, Tennessee has implemented a testing program that includes criterion referenced tests and norm referenced tests. Considerable gains have been made, particularly in the lower grades.

The task is to sustain that level of achievement as students move through school, for we know that success in school is an important predictor of school completion. The best drop-out prevention program is an academic program that successfully reaches all students. Tennessee's estimated drop-out rate has remained relatively stable, but too high, over the last five years and clearly we must do more to reach students who do not complete high school.

How can states such as Tennessee sustain the momentum for improvement in education and improvement of the life chances of all students? The State Board of Education believes very strongly in setting clear expectations about results and allowing the professionals the flexibility to accomplish the task. The state's role is to establish expectations, to provide technical expertise, to provide resources to accomplish the task, and to provide the public with information about how well the schools are doing. The latter is being done by issuing to each school system a comprehensive report on progress on a variety of indicators, including achievement data and demographic data.

But the state must not be overly prescriptive with respect to process. We cannot run schools from Nashville. We must instead enhance the capacity of local leaders and teachers.

The federal role in the school improvement effort has been focused on providing assistance to carefully targeted groups: educationally and economically disadvantaged students, handicapped students, vocational education students, and other groups. The federal resources are very important to states such as Tennessee.

As you develop new initiatives or modify existing programs, consider allowing states and local communities greater flexibility so that states can implement programs in ways to ensure that all children who need services do receive them. Consider setting expectations about what you want to accomplish and allowing states and local communities to develop processes responsive to local conditions.

This is not a new refrain, but I believe that states and local communities have developed the capacity to implement programs effectively and, more importantly, they are committed to the premise that all children can learn and can lead useful and productive lives.

Thank you.

Attachments submitted to Chairman Miller:

1. Master Plan For Public Education, Grades K-12, 1987. Tennessee State Board of Education, November 25, 1986.

2. Vocational Education In Tennessee. Tennessee State Board of Education, September 27, 1985.

3. Student, Teacher, And School Performance. Second Annual Report submitted to the Governor and the General Assembly by the Tennessee State Board of Education and the Commissioner of Education for the State of Tennessee, January 8, 1987.

Attachments 1, 2, and 3, are retained in committee files.

STATEMENT OF JOHN GAVENTA, D.PHIL., DIRECTOR OF RESEARCH, HIGHLANDER RESEARCH CENTER, AND ASSISTANT PROFESSOR OF SOCIOLOGY, UNIVERSITY OF TENNESSEE, KNOXVILLE, TN

Dr. GAVENTA. Thank you for coming.

My remarks will pertain primarily to Appalachia and including the eastern part of this State and to other rural communities in the South.

Mr. Chairman, today, Appalachia, which is one of the most densely populated rural regions in the country, is in a state of economic crisis that is as deep as that which called the war on poverty into being some 20 years ago.

While the Nation's leaders have proclaimed recovery from the recession of the early part of the 1980's, that recovery has rarely reached the people of our region. Since 1970, despite almost 20 years of economic development activity, almost two-thirds of the counties in our region have actually declined economically relative to the rest of the nation.

At the end of 1985, four-fifths of our counties had an official unemployment rate higher than the national average, 85 counties had double the national rate, and now almost thirty counties officially have tripled the official rate of unemployment for an official unemployment rate of well over 20 percent.

Not counted in those statistics is the status of the invisible poor, those who have never been counted on our unemployment rolls or those who have given up looking for a job and have dropped off the rolls all together.

This new Appalachian crisis was dramatized recently by an Associated Press reporter, who visited Eureka Hollow, WV, the remote community that had stirred John F. Kennedy's vision of a war on poverty 25 years before. The reporter wrote, Kennedy's message from Eureka Hollow alerted America to the paradox of wretched poverty in an area teeming with rich resources. It resulted in $15 billion in Federal aid to West Virginia and a dozen other states. Today's message from Eureka Hollow is this: both are still here, the resources and the poverty. In 1960, Kennedy had visited a disabled coal miner, his wife, and eight children, housed in a mountainside shack without running water. Today, that shack is gone, ravaged by strip mining in the valley. Only one of the miner's children remains, laid off himself when the mine started closing in 1982. He has not received a paycheck in four years. Food stamps and workfare income amount to $7,600 for him, his wife, and three children, well below the national poverty level for a family of five.

The case of Eureka Hollow, WV, is not unique. In the last year, a series of reports have warned of a new poverty in Appalachia and across the rural south. What has happened? Why the failure?

Well, as these other speakers have pointed out, at least part of the answer to Appalachia's economic crisis is found in a profound transformation of the American economy as a whole. Nationally, we are told a reshaping of the American economy is occurring, that agricultural and industrial America upon which our economy has been built is being transformed to a service-based and finance economy.

In such economic restructuring, the jobs in traditional sectors, like mining, manufacturing, and agriculture, have declined the most, and these jobs, Mr. Chairman, are the jobs that our rural areas in the south have historically relied upon.

So, if the impact of industrial restructuring is great upon the workers and communities in the Nation as a whole, just imagine for a moment the impact of deindustrialization on the workers of the mountain hollows, the rural farms, the smaller towns of the south, the region which traditionally has provided the nation with its mines, its resources, its low wage and low skill workers, whose people are more dependent upon manufacturing and traditional industries that anywhere else in the nation.

These are the workers and communities for whom hard work has never meant prosperity. These are the rural people, the women, the minorities, whose experience has always been less visible and voices less powerful, whose hard work has never bought them a ticket to the American dream. Though less visible, these people are profoundly affected by the national restructuring of the economy.

Think, for instance, of the coal miners who have been the backbone of the central Appalachian economy. Today, thousands of these miners throughout West Virginia, eastern Kentucky, Tennessee, and Virginia are without work. Mine closings and layoffs have silenced whole communities, and these are single industry communities, where, when the company closes, there is little left.

Recently, for instance, United States Steel announced that it was closing the last mine in Gary, WV, laying off another 1,000 miners, leaving unemployment in that community above 90 percent. Gary is but one of the hardest hit communities in a coal-rich State like West Virginia, which, up until recently, led the Nation as having the highest unemployment rate in the country.

Think of the factory workers and the mill workers, the textile workers of southern Appalachia. For almost two decades, the deindustrialization of the north has meant the growth of the Sun Belt south. Parts of the Appalachian south has benefited from the runaway shops coming here in search of low wage labor and cheap resources in community subsidies. Now, the trend is changing.

According to the Appalachian regional commission, in the first four years of the 1980's, our region lost 2½ manufacturing jobs for every one that had been created in the 1970's. Think of the small farmers, these are not the mega-farmers of the west. These are the worker farmers who rely upon the land for hard times in the factories and rely upon the factories when hard times come into the land, and now they are facing hard times in both areas.

Now, to offset the bleak picture of industrial decline, we are offered the promises of a new service economy. Reliance on growth of the service economy to solve the economic ills of the Nation is problematic anywhere in the country. In our region, it is simply a fallacy.

On the whole, while the traditional jobs have been so great, the decline in traditional jobs has been so great, the growth in service jobs in the South has been lower than anywhere else in the Nation. Where they do come, these service jobs choose not to locate in the rural industrial minority areas that need the work the most. They go to the most suburban, the most white, the most educated, the most affluent communities.

As a result, we are seeing not only the widening of the gap between our region and the rest of the Nation, but within our region, we are seeing the rapid deepening of the two souths, the urban, growing, somewhat prosperous cities, like Nashville and others, and the declining rural south, where unemployment remains 37 percent greater than in the urban areas.

Recently, for instance, I had the opportunity to interview about 175 women laid-off textile workers out of work for over a year. All of those had been searching for work. Those—only 50 percent had been able to find work and of those, only half had found full-time work. Most of their work has been in service industry jobs.

These women who had worked for 15 years on the average had risen to a good wage for our area, $5.79 an hour. Now, their new wages are about an average of $3.70 an hour, a cut of 40 percent. Half the women now work at a rate of $3.45 an hour, just barely above minimum wage, and as we know, a woman, a family working full time at minimum wage is far below the poverty line.

Now, the impact of such economic restructuring upon our youth is, of course, enormous. Without an economic future even for the adults, the likelihood will be that the youth of these economically depressed areas will be even more marginalized. The toll may be seen in several areas.

Recently, I had an opportunity to travel with the Commission on Religion in Appalachia into some of these rural hollows and hold some hearings. One of the things we heard about was very basic and that has to do with hunger. At a very basic level, educational quality of our children and youth is affected by the basics of decent nourishment. The combination of the resurgence of poverty with the cutbacks of Federal support for social services serve to deepen the crisis.

In these hearings, one speaker in West Virginia put the problem this way: we have children going to school hungry who were not going to school hungry in the sixties and early seventies. It is hard to stay in school when you are hungry and, thus, we see the relationship between poverty and dropout rates which is so well-established. That relationship is seen more clearly any place in America in Appalachia, which has more students dropping out of high school than in the rest of the country.

According to the National Center for Educational Statistics, eight of the 11 States with the highest dropout rate in our country are in Appalachia. In the poorest counties, the average dropout rate is 30 percent, in some counties it rises to above 50 percent.

With these statistics—while these statistics are alarming, we can see them resurging. We can see them increasing. Why waste time for an education, say our youth, when there are no jobs?

Historically, one answer for our rural youth has been to view education as a ticket to getting out of the area, getting employment in the cities, but today the economic crisis of our region is being experienced in much of the rest of the country. One cannot escape poverty to the cities. There are no jobs for these people there either.

Recently, I did a survey in a rural east Tennessee county with a very high unemployment rate, and in that county, over 50 percent of the parents said that the best thing education could do in their high school was to train the youth to leave the area.

It is a sad time when we are saying that the best thing that our rural youth can do is get out. It is even sadder for the country when in getting out, they are more than likely not going to improve their situation much either.

Related to the dropout problem is the problem of functional illiteracy. In the Appalachian portion of Kentucky, almost 50 percent of our adults are functionally illiterate and on the whole, because the new service jobs which come into our region are not the high-tech jobs which require advance literary skills but the low-tech jobs, like fast-food restaurants and domestic work, literacy is scarcely needed anymore.

In our hearing cited above, we heard testimony of one school superintendent in West Virginia who said that reading was no longer a basic skill on which he could spend scarce county funds. The only jobs available in his county for the youth would be in McDonald's and there the cash registers were picture-coded, the students did not need to know how to read to get that work.

Where some high school education has failed to serve the needs of the young, job and vocational training programs are often recommended, but our research in the state of Tennessee shows that this strategy, too, has had limited success. For instance, overall, Tennessee has lost about 40,000 manufacturing jobs since 1977 and, yet, in 1984, only 300 workers successfully finished the JTPA programs for displaced workers in the State.

In response to our region's economic crisis, we have heard, we are told that education is the answer. Train the displaced worker, stop high school dropouts, support literacy, these are the strategies that are suggested.

I think these strategies are important, but I would suggest to you that they are limited. They are designed to educate the victims of economic crisis without addressing the root causes of the crisis itself. The cause of the economic crisis is not its victims, it is an economic transformation which has abandoned rural people and their communities. Only if the nation accepts national commitment to meaningful employment, to participation in our economy by all, will the educational strategies realize their fullest potential.

Thank you.

[Prepared statement of Dr. John Gaventa follows:]

PREPARED STATEMENT OF DR. JOHN GAVENTA, KNOXVILLE, TN

THE CURRENT APPALACHIAN ECONOMIC CRISIS[1]

Today Appalachia is in a state of economic crisis that is as deep as the one which called the War on Poverty into being some 20 years ago. Yet while the nation's leaders have proclaimed a "recovery" from the recession of the early part of the 1980's, that recovery has rarely reached the people of the region.

During the 1970's, following the War on Poverty, there was a new hope for our region. Though the region as a whole still continued to lag behind the rest of the nation, per capita income rose, outmigration was slowed and briefly reversed as in some places new jobs were created.

For many of the region's people, however, the first five years of the 1980,s have seen the erosion of whatever gains had been made, and an increasing gap between the region and affluent America:

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* Dr Gaventa is Assistant Professor of Sociology at the University of Tennessee, Knoxville and Research Director, Highlander Research and Education Center.

[1] Parts of the following analysis are drawn from the Report of the Working Group on the Appalachian Economic Crisis to the Commission on Religion in Appalachia, Economic Transformation: the Appalachian Challenge, (1986) for which I served as a writer and consultant.

---Since 1970, despite twenty years of economic development activity, almost two-thirds of the counties in the region have actually declined economically, relative to the rest of the nation.

--- At the end of 1985, four-fifths of region's counties had an official unemployment rate higher than the national rate of 6.7%. 85 counties had double the national rate, and 28 had triple the rate--for an official unemployment rate of over 20%. Not reflected in the official statistics is the status of the invisible poor, who have never been counted on the unemployment rolls, or who have given up looking for a job and have dropped off the rolls altogether.

This resurgent Appalachian crisis was dramatized recently by an Associated Press reporter who recently visited Eureka Hollow, West Virginia, the remote community that had stirred John Kennedy's vision of a War on Poverty 25 years before. The reporter wrote:

> "Kennedy's message from Eureka hollow alerted America to the paradox of wretched poverty in an area teeming with rich resources. It resulted in $15 billion in federal aid to West Virginia and a dozen other states.....today's message from Eureka hollow is this: both are still here, the resources and the poverty."[2]

In 1960, Kennedy had visited a disabled coal miner, his wife and eight children, housed in a mountainside shack without running water. Today the shack is gone, ravaged by strip mining in the valley. One of the miner's children remains. Laid off when the mines started closing in 1982, the son has not had a pay check in four years. Food stamps and "workfare income" amount to $7,668 a year for he, his wife and three children---well below the national poverty level for a family of five of $12,500.

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[2]. Jules Loh, "Life in this West Virginia Hollow is better, but not much," Roanake Times Tribune, December 28, 1986.

The case of Eureka hollow is not unique. In the last year, a series of reports have warned of a new poverty in the Appalachia and the across the South, especially in our rural regions. One recent Ford Foundation sponsored study entitled Shadows Across the Sunbelt had this to say:

> After two decades of reasonably solid growth, many rural communities are now finding themselves in serious trouble...Instead, it has become increasingly clear that many structural changes are at work in the rural Southern economy, changes which are only intermittently visible, but that taken together promise profound and lasting consequences for the South."3

What has happened? Why the failure?

ECONOMIC TRANSFORMATION

At least part of the answer to Appalachia' economic crisis is found in the profound transformation of the American economy as a whole. Nationally, we are told a reshaping of the economy is occurring. The agricultural and industrial America upon which our economy has been built is being transformed to a service-based and finance economy. In the five years between 1979-1984, 11.5 million workers nationally lost their jobs as plants decided

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[3] MDC, Panel on Rural Economic Development, Shadows Across the Sunbelt (Chapel Hill, NC: MDC, Inc., 1986), p.4.

to shut down or relocate, to increase productivity or shrink output. In such economic restructuring, the jobs in traditional sectors like mining, manufacturing, agriculture have declined the most.4

But if the impact of industrial restructuring is great upon these workers and communities in the nation as a whole, imagine the impact of de-industrialization of the workers of the mountain hollows, rural farms, and smaller towns of the Appalachian South, the region which traditionally has provided the nation with its mines, resources and low-wage, low-skill workers, whose people are more dependent upon traditional industries than in the nation as a whole. These are the workers and communities for whom hard work never meant prosperity. These are the rural people, the women, the minorities, whose experience has always been less visible and voices less powerful, whose hard work has never bought them a ticket to the American Dream. Though less visible, these people, too, are profoundly affected by the restructuring of industrial America.

Think for instance of the coal miners, who have been the backbone of the Central Appalachian economy. Today, thousands of these miners throughout West Virginia, eastern Kentucky, Tennessee, are Virginia are without work. Mine closings and lay-

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4. U.S. Congress, Office of Technology Assessment, Technology and Structural unemployment:Reemploying Displaced Adults, OTA-ITE-250 (Washington, DC: U.S. Government Printing Office, 1986), p. 5.

offs have silenced whole communities---- single-industry communities where when the company closes, there is little left.

Recently, for instance, U.S. Steel announqed that it was closing the last mine in Gary, West Virginia, laying off another 1,000 miners, leaving unemployment in that community above at 90%. Gary is but one of the hardest hit communities, in a coal rich state of West Virginia which in recent years has led the nation as having the highest state unemployment rate in the country.

For many of the workers and their families, such hard-times are not new. Their livelihoods have always been dependent upon a boom and bust economy against which they had no control. They know the skills of survival, of waiting. But, this decline is not like past "busts" in Appalachian history. While times are bad for the workers, they are not for the industry. Coal production in the region has reached a ten year high--with over a third fewer miners needed. New technology, increased production, speed ups at the expense of hardfought safety mean that the workers are simply no longer needed. Moreover, unlike in the 1950's when mechanization sent miners in search of jobs in the north, this time there are no jobs for them there either.

Think of the factory workers, the mill workers of southern Appalachia. For almost two decades, de-industrialization of the Frostbelt north has meant the growth of the Sunbelt South. Parts of the Appalachian South have benefitted from being on the receiving end of capital mobility, i.e. the place where run-away shops from the north came in search of low-wage labor, cheap resources, and community subsidies. Now, the trend is changing, as the plants here are also closing and/or relocating overseas. According to the Appalachian Regional Commission, in the first four years of the 1980's the Appalachian region lost two and one-half manufacturing jobs for every one that had been created in the 1970's.

An example of the impact of industrial decline may be seen in the textile and apparel industry. While we have heard of the loss of the jobs for primarily white, skilled males in the industrial heartland on the north, where has been the news of the loss of textile and apparel jobs, for women and minorities of the rural south? Nationally, the industry accounts for one in every eight manufacturing jobs. Primarily low wage, the industry employs a higher percentage of minorities and women than any other industrial sector in the country. Between 1973-83, almost half a million of these jobs were lost. In the last five years, over 250 mills closed. The impact has been especially severe in Appalachia, where the milltowns of the places like east Tennessee, North Carolina, South Carolina and Alabama have three and one half times the average concentration of textile factories and two times the average concentration of garment mills than other parts of America.

Recently, I had the opportunity to conduct a survey with some 200 of these displaced workers in the east Tennessee area.

Primarily women in their middle-age, their story is illustrative I believe, of the trends throughout the region. Their employer, the Allied Seat Belt Company (as it is now called) first came to Knoxville in the late 1960's, relocating from the north (one presumes to get away from high-price labor). The shop makes seat belts, (a product one would think to be of high value to our automotive society) and employed some 3000 workers by the late 1970's. It was a union shop, and offered among the best wages and benefits for such workers in the area, even though the average wage was only $5.79/hr for workers with about 15 years experience.

Today, employment at the plant is down to only 250 workers. The story is a classic one. Presumably to get non-union and still cheaper labor, the company moved some its work to Greenville, Ala. in 1980, laying off some 1500 workers in Tennessee. Later, more jobs were transferred still further south, to yet cheaper labor in Mexico. Throughout, the company has used the threat--and then the reality--of relocating to Alabama or Mexico as job blackmail for the Knoxville workforce.

THE "SERVICE ECONOMY"

To offset the bleak picture of industrial decline, we are offered the promises of a new service economy. Nationally, about 70% of the new jobs created are in the service sector, the majority in such growth areas as fast food industry, health care, business services. (In fact, the total increase in fast food jobs between 1973-1983 was greater than the total employment in the automobile and steel industry combined.)

Reliance on growth of the service sector to solve the economic ills of the nation is problematic, at best, anywhere in the nation. In our region, it is simply a fallacy. On the whole, while the decline in traditional jobs has been so great, the growth in service jobs in the South has been lower than elsewhere in the nation. Where they do come, they choose not to locate in these rural, industrial or minority areas that need the work the most. A new Study by the Southern Growth Policies Board _After the Factories_ shows that these jobs go to the areas that are already the most suburban, the most white, the most educated and the most affluent. As a result, we are not only seeing the widening of the gap between our region and the rest of the nation, but within our region we are seeing the rapid deepening of the Two Souths---the urban, growing , somewhat prosperous cities which have generated the Sunbelt image, and the declining, rural south, where unemployment remains 37% greater than in the urban areas.[5]

Yet even for those workers who are able to obtain new employment in the service sectors, new employment may, in fact, mean downward, rather than upward mobility. Take for instance the women textile workers referred to earlier. Of 174 laid-off workers, slight more than half had obtained a new job. Of these workers who had obtained jobs, the largest proportion (35%) had obtained "service" jobs---on the whole, as cleaners, guards or custodians in workplaces or in private homes, as food service workers , or as child or health care workers in workplaces or peoples' homes.

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[5] Stuart A. Rosenfeld and Edward M. Bergman, _After the Factories: Changing Employment Patterns in the Rural South_ (Research Triangle Park, NC: Southern Growth Policies Board, 1985).

Even for the ones who have been able to get some work, over half (53%) are working at part-time jobs. All but one of the workers report that they have taken a pay cut, compared to their jobs at Allied. Average wages have dropped from $5.79 to $3.70 --- a loss of $2.09 an hour. 39% are working at minimum wage of $3.35/hour, and over half are working at $3.45 or less per hour. For 90% of the workers, there is no union at their new job, and thus one can expect that they have also taken a loss in benefits and job protection.

IMPACT ON YOUTH.

The impact of such economic restructuring upon our youth is, of course, enormous. Without an economic future even for the adults, the likelihood will be that the youth of these economically depressed areas will be even more marginalized. The toll may be seen in several areas, including the following:

1. Hunger. At a very basic level, educational quality of our children and youth is affected by the basics of decent nourishment. The combination of the resurgence of poverty with the cutbacks of federal support for social services serve to deepen the crisis. Recently, in hearings sponsored by the

Commission on Religion in Appalachia, one speaker in West Virginia put the problem this way: " We have children who are going to school hungry who weren't going to school hungry in the '60's and early '70's."[6]

2. Drop out rates: The relationship between poverty and drop-out rates is well-established. That relationship is seen clearly in Appalachia, which has more students dropping out of high school proportionally than in the rest of America. According to the National Center for Education Statistics, eight of the eleven states with the highest dropout rates in the country are in Appalachia.[7] In the poorest counties of Central Appalachia, the average drop-out rate is 30%, while in some counties it rises to almost 50%.[8] While these statistics are alarming enough in and of themselves, with the resurgence of unemployment and poverty , we can expect them to increase. Why waste time for an education, when there are no jobs?

Historically, one answer for some has been that education is viewed as a ticket to getting employment outside of the region--- in the cities of the north. But, today, the economic crisis of the Appalachian region is being experienced in much of the rest of the country. One cannot escape poverty to the cities --there are no jobs for these people there either.

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[6] Commission on Religion in Appalachia, op.cit.

[7] Winifred Pizzorno, ARC Co-Chair, quoted in Appalachia, fall, 1985, p.4.

[8] B. Keith Crew, "Dropout and Functional Illiteracy Rates in Central Appalachia," Appalachian Data Bank Report #1, March 1985, published by Appalachian Center, University of Kentucky.

3. Illiteracy: Related to the drop-out problem is the problem of functional illiteracy. In the Appalachian portion of Kentucky, 48.4% of the adults over 25 are functionally illiterate. In the Appalachian portions of other states, the figures are almost as high. (Tennessee, 45.2%; Virginia, 46.5%; West Virginia, 36.2%).9 Indications are that the economic restructuring may contribute further to a decline in literacy. On the whole the new service jobs which come to our region are not the high tech jobs which require advanced literacy skills, but the low-tech jobs like fast-food restaurants and domestic work, for which literacy is scarcely needed. In the Commission on Religion hearings cited above, we heard testimony of one school superintendent who said that reading was not longer a basic skill on which to spend scarce funds---the only jobs available were in McDonald's and there the cash registers were picture coded!

4. Job Training. Where high school education has failed to serve the needs of young workers, job and vocational training programs are often recommenced. But our research with displaced workers in the State of Tennessee shows that this strategy, too, has had limited success.

A recent Congressional study names Tennessee as one of nineteen states with a disproportionately high percentage of

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9. ibid

displaced workers.[10] Overall, in fact, Tennessee has lost approximately 40,000 manufacturing jobs since 1977.[11]

Despite the losses, the State has seemed to bask more in the recruitment of a few large new industries than to concern itself with the loss of its traditional employment base. For instance:

***According to Congressional studies, in 1984 Tennessee had only 599 workers enrolled in Displaced Worker Programs under Title III of the JTPA program. Only 339 of the workers finished the program. This is compared to a national enrollment in the program of 177,000. In fact, every surrounding state in the Southeast served more workers:[12]

Alabama	2,713
Arkansas	2,762
Georgia	630
Kentucky	828
Virginia	6,778
Tennessee	599

***Because of the inadequacies of the JTPA program, the state may be forced to pay $18 million in job training money back to the federal government, if it is not spent soon.[13]

The displaced workers we have interviewed would like to participate in training programs designed to satisfy their needs as workers displaced by international competition. They show a strong desire to work, and to be trained for other work. However, lack of information about job training, lack of adequate job programs, and, perhaps most importantly, the perception that adequate or higher skill jobs will not be available to them regardless of training means that these programs are not working.

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[10] *ibid.*, p. 12.

[11] *Tennessee Statistical Abstract, 1987*.

[12] U.S. Congress, *op.cit.*, p. 175.

[13] *Knoxville News Sentinel*, January 22, 1987.

TOWARDS A SOLUTION:

In response to our region's economic crisis, education is often proposed as the answer. Train the displaced worker; stop high school drop outs, support literacy---are the strategies suggested. While these strategies may be important, I would suggest to you that they are limited--- they are designed to educate the victims of economic crisis, without addressing the root causes of the crisis itself. The cause of the crisis is not its victims, it is an economic transformation which has abandoned rural people and their communities. Only as the nation accepts national commitment to meaningful employment, to participation in our economy by all, will the educational strategies realize their full potential.

Chairman **Miller**. Thank you. Mr. Carter.

STATEMENT OF LAMONT CARTER, PRESIDENT AND CHIEF EXECUTIVE OFFICER, OAK RIDGE CHAMBER OF COMMERCE, OAK RIDGE, TN

Mr. **Carter**. Mr. Chairman, members of the committee, thank you for the opportunity to testify before this very important House committee.

I would submit that a good bit of what you have heard this morning is fairly depressing news. I would likewise submit that there are some good things happening as Congressman Anthony pointed out in his introductory remarks in the state of Tennessee that have some bearing on this committee and its purposes. I hope that what I will cover in my testimony will verify that.

I am delighted to be here representing Former Governor Lamar Alexander's job skills task force. A task force composed of 22 of the State's most outstanding business people whose objective it was to determine from the employer's perspective the kinds of jobs that would be available in Tennessee in the next decade and beyond, and the skills that Tennesseans would need to perform those jobs.

Important to this committee, the task force chaired by Michael D. Rose, chairman of the board and chief executive officer of Holiday Inn, identified an additional need, to determine whether the training and educational delivery systems in Tennessee were responsive to current and projected job skills requirements and to recommend appropriate changes in those systems where required.

Mr. Chairman, at this point, I would like to point out that I have brought the executive summary and the full report of the task force, and would like to have that submitted as a part of the record.

Chairman **Miller**. Without objection.

Mr. **Carter**. Thank you.

The task force determined that the economic future of Tennessee depends to a great extent on the State's ability to respond to changes in the business and industrial environment and on its success in stimulating expansion by existing employers and attracting new businesses and industries.

New and expanded industries create new jobs, increase personal income, and improve the quality of life for all Tennessee citizens. Although business expansion and development are dependent on many factors, one of the most important is the availability of qualified employees needed for particular business or production processes.

To the extent that investments in capital equipment modified business and production processes, changes will occur in the types of jobs that will be available and the job skills required to fill them. Some of the new skills can be acquired from on-the-job experience or from training offered to existing employees.

However, other education and training needs must be met by public institutions and must be designed to cover basic knowledge and the vocational and technical training necessary to prepare Tennesseans for the job opportunities of the future.

Furthermore, the kinds of job skills which will be needed in the future will depend on the growth of new industries in the State. It is, therefore, critically important that the education and training systems in the State be able to anticipate and respond to changes in the number and type of job skills needed by new and expanding industries.

Failure to do so will be the State's ability to upgrade employment and income opportunities for its citizens.

Mr. Chairman, in the interest of time, I would like to move directly to the findings of the task force. Analysis of national industrial projection data indicates that business and industrial growth in the next decade will be greatest in the service sector and you have heard a number of the panelists this morning address that issue. An example would be medical, financial, communications, and transportation services, and in certain areas of high-technology manufacturing, electronics, optics, instrumentation, and so on.

Rapid employment growth is also expected to occur in those areas where there has been either a major technological advance or a major shift in consumer preferences for services. Occupational projections for Tennessee and the nation identify a large number of high-demand occupations. New job openings created by economic growth, replacement of retiring employees, and employee turnover will have a significant impact on the demand for employees in general.

High-demand occupations vary considerably in terms of the educational background and the basic job skills required to fill entry-level positions.

In Tennessee, occupational growth patterns will require workers in several highly skilled occupations within the broad categories of professional, technical, clerical, craft, and the service occupations. The five sub-baccalaureate occupations ranked by a majority of the employers surveyed as being in most critically short supply were computer systems analysts, electrical and electronic technicians, computer programmers, professional nurses, and machinists.

At regional meetings, the task force members identified a large number of new and rapidly expanded job opportunities for Tennesseans over the next decade. These job opportunities will require a variety of new and improved skills in science, language and computer literacy.

Examples of these job opportunities and skills are presented in tables A and B at the conclusion of my prepared testimony.

Employers know that many technical and craft occupations are being transformed in terms of skill content. For example, many jobs in assembly lines now require some machine maintenance ability. Maintenance occupations now demand familiarity with electrical, computer logic and programming systems.

Employers expressed their belief that in many professional, technical, managerial, craft, and service occupations, a commitment to continuous training, a commitment to continuous training is necessary to develop and to maintain the productivity of individual employees.

Tennessee employers, whether referring to production workers, to managers, to technicians, emphasize the importance of a good basic education. A high level of proficiency in language and computational skills is believed to enhance both employee productivity and employee flexibility. Employers listed the primary requisite knowledge and skills for jobs in the next decade as, and I want to really emphasize these points, basic reading, writing and quantitative skills, some understanding of computer logic, science skills, and knowledge and understanding of business and economics.

In addition, employers listed a lack of basic interpersonal skills as a chief reason for employees failing to move up a company's career ladder. Other indicators suggest that many adult workers are also hindered by an inadequate mastery of basic skills in reading, writing, and computation. Without the basic educational underpinnings, changes in the occupational and industrial structure of Tennessee will be hampered by an inadequate supply of trained and trainable workers.

And now to the recommendations that the task force made.

Recommendation 1. That the State of Tennessee develop an education and training policy through legislation and/or executive order which formally demonstrates the State's commitment to developing a higher quality labor force.

That the State define current or desired regional and/or statewide strategies for stimulating business expansion and attracting new industries, and where no such strategies exist, request State and local bodies to generate them.

Recommendation 3 was that the administration and control of Tennessee vocational and technical education below the baccalaureate level be organized so that duplication of services is eliminated, so that training systems are more responsive to new and changing occupational requirements, and business and educational representatives interact closely in assessing training needs and designing and executing programs to meet them.

Such reorganization could take the form of a consolidation of the current agencies, boards, departments and commissions into one authority over all vocational and technical education.

It also recommended that a statewide business and industry advisory board be formed composed of influential business leaders appointed by the Governor. This board would consist of people charged with the responsibility for reviewing and recommending new and revised vocational and technical training programs, promoting interaction between the business and educational communities and ensuring short- and long-term responsiveness to employers' training needs, and to also serve as a resource to the State Board of Regents in matters of curriculum development, educational priorities, facilities, and equipment needs.

Recommendation 5 was that the State develop an education and training program that has an on-going mechanism to identify changes in projected labor needs as well as in skill displacements. A program that has specified identifiable curricula to teach basics in reading, writing, computational skills, computer literacy, and work values and work habits and certifies, that the graduates of the system possess the basic skills which are required for entry-level jobs.

The program should also provide incentives, as an example, differential pay scales, to attract high-quality teachers and occupations which are in high demand in industry, such as science, mathematics, business, computer and engineering-related disciplines.

That the program also provide incentives and mechanisms to facilitate industry-teacher internships and exchange programs for the purpose of teacher development and upgrading, and should develop long-term industry education cooperative training and retraining to update special skills in technical and craft occupations.

It further recommended a special task force be formed to coordinate the design and delivery of computer-related instructions to all levels of the education and training system from elementary schools upward.

Recommendation 7 was that a cooperative statewide industry-education pool of communication equipment and services be developed.

Their final observation was as follows: the officials responsible for implementing the above recommendations recognize that most of the changes will require continuity and a long-range commitment transcending the term of any one administration.

It is, therefore, essential that the recommendations be integrated into a cohesive plan that will achieve the mission of expanding job opportunities, developing job skills, and increasing per capita income and the economic well-being of all Tennesseans.

As a result of this task force report and other inputs, the Alexander administration developed a theme line that would ultimately lead to the passage of the better schools program. A program recognized across the country as innovative, creative and in step with where our nation's industrial leaders felt U.S. education should be headed. It is safe to say that General Motors would not have located their much-heralded Saturn plant in Tennessee without the promise of a State educational program designed to prepare Tennesseans for the jobs of the future.

From Mountain City, TN, to Memphis, Governor Alexander stated that this new better schools program would center on three major issues, basic skills first, computer skills second, and new job skills for all Tennesseans.

Recommendations 1 and 2 in the task force report were carried out through the development of the better schools program. Recommendation number 3 was implemented through the consolidation of the area vocational schools, the state's technical institutes and community colleges under the control of the State Board of Regents.

While some duplication of services still exists, this consolidation has greatly enhanced the delivery of training in Tennessee. Components of recommendations 4 and 5 have been put into place via the better schools program. As an example, the basic skills first program addressed earlier, a program designed to ensure that once a child reaches the eighth grade, he or she has a minimum eighth grade skill.

The career ladder program, the science alliance, and the chairs of excellence at our universities are also important examples of how recommendation 5 was implemented. Statewide computer education programs with local computer instruction councils was a result of recommendation No. 6.

With regard to recommendation No. 7, I am of the opinion that we have not developed the kinds of equipment pools for instructional purposes that the task force originally envisioned but some progress has been made along those lines.

The task force in reference to a long-range commitment to education transcending any one state administration in recommendation No. 8, its final recommendation, seems to be within our grasp. The State's new Governor served as speaker of the State house of representatives throughout Governor Alexander's administration. He, the then-speaker, was instrumental in seeing that the better schools legislation passed.

Governor McWherter has said on many occasions that he intends to see that education remains our State's No. 1 priority, and I believe he means it. If the basic elements of this innovative program stay in place and are enhanced by the McWherter administration, Tennesseans of all ages and from all areas of the State, rural to urban, will be able to read, write, compute, and communicate in a worldwide marketplace for the jobs of the future.

Thank you.

[Prepared statement of Lamont Carter follows:]

PREPARED STATEMENT OF LAMONT CARTER, PRESIDENT AND CEO, OAK RIDGE CHAMBER OF COMMERCE, OAK RIDGE, TN

Thank you for the opportunity to testify before this very important House Committee. I am delighted to be here representing former Governor Lamar Alexander's Job Skills Task Force. A task force composed of twenty-two (22) of the states most outstanding business people whose objective it was to determine, from the employee's perspective, the kinds of jobs that would be available in Tennessee in the next decade and beyond, and the skills that Tennesseans would need to perform those jobs.

Important to this Committee the Task Force chaired by Michael D. Rose, Chairman of the Board and Chief Executive Office of Holiday Inn, identified an additional need . . . to determine whether the training and educational delivery systems in Tennessee were responsive to current and projected job skills requirements and to recommend appropriate changes in those systems where required. Mr. Chairman, at this point, I would like to note that I have copies of the Executive Summary and Final Report with me this morning. I would like to formerly submit them as part of the record of this hearing.

What I propose to do this morning is (1) introduce the study, (2) describe the basic approach taken by the Task Force, (3) list for you the Task Force findings, and (4) conclude by reviewing their recommendations. Since the study was done just over four years ago it might also be helpful for the purpose of this hearing to note those recommendations which have to date been enacted.

INTRODUCTION

The economic future of Tennessee depends to a great extent on the state's ability to respond to changes in the business and industrial environment and on its success in stimulating expansion by existing employers and attracting new businesses and industries. New and expanded industries create new jobs, increase personal income and improve the quality of life for all Tennessee citizens. Although business expansion and development are dependent on many factors, one of the most important is the availability of qualified employees needed for particular business or production processes.

The kinds of jobs available in Tennessee in the future will depend primarily on the state's existing industrial structure, the pattern of industrial development, and the evolution of new business and production techniques. Two factors--changes in technology and the growth of new industries--will change the nature of job opportunities available and the job skills required.

To the extent that investments in capital equipment modify business and production processes, changes will occur in the types of jobs that will be available and the job skills required to fill them. Also, the evolution of new technologies can be expected to change the mix of occupations and skills required by employers. Some of the new skills can be acquired from on-the-job experience or from training offered to existing employees. However, other education and training needs must be met by public institutions and must be designed to cover both the basic knowledge and the vocational and technical training necessary to prepare Tennesseans for the job opportunities of the future. Furthermore, the kinds of job skills which will be needed in the future will depend on the growth of new industries in the state. It is therefore critically important that the education and training systems in the state be able to anticipate and respond to changes in the number and type of job skills needed by new and expanding industries. Failure to do so will impede the state's ability to upgrade employment and income opportunities for its citizens.

In summary, the Job Skills Task Force attempted to:

1. Provide a perspective which will assist decision-makers in both the public and private sectors to anticipate the types of changes in jobs and job skills that can be expected to occur in business and industry in Tennessee in the next decade and beyond.

2. Assess the relationships of job demand to vocational, technical and general education systems from the viewpoint of those who will employ the graduates of those systems.

APPROACH

Five general approaches were used to acquire information, data and commentary:

1. Personal interviews were conducted with business leaders in diverse business disciplines.

2. Regional meetings were held in east, west and middle Tennessee with business leaders to discuss the issues and to gather data.

3. Questionnaires were mailed to Task Force members and selected other business and professional representatives across the state.

4. Federal, state and general literature sources were consulted for data and trends.

5. Task Force members were polled for additional comments and critique.

FINDINGS

1. Analysis of national industrial projection data indicates that business and industrial growth in the next decade will be greatest in the service sector (e.g., medical, financial, communication and transportation services) and in certain areas of high technology manufacturing (e.g., electronics, optics and instrumentation). Rapid employment growth is expected to occur in these areas where there has been either a major technological advance or a major shift in consumer prefernces for services.

2. Tennessee employers expressed their belief that the highest growth industries in Tennessee would be communications and services. Industries with medium to high growth rates are expected to be in the transportation services, finance, insurance and real estate industries. All other industries except agriculture and mining are expected to experience modest growth during the next decade.

3. Occupational projections for Tennessee and the nation identify a large number of high demand occupations. New job openings created by economic growth, replacement of retiring employees and employee turnover will have a significant impact on the demand for employees. High demand occupations vary considerably in terms of the educational background and the basic job skills required to fill entry-level positions.

4. In Tennessee, occupational growth patterns will require workers in several highly-skilled occupations within the broad categories of professional/technical, clerical, craft and service occupations. The five sub-baccalaureate occupations ranked by a majority of the employers surveyed as being in most critically short supply were computer systems analyst, electrical and electronics technician, computer programmer, professional nurse, and machinist.

5. At the regional meetings, Task Force members identified a large number of new and rapidly expanding job opportunities for Tennesseans over the next decade. These job opportunities will require a variety of new and improved skills in science, language and computer literacy. Examples of these job opportunities and skills are presented in Tables A and B at the conclusion of my prepared testimony.

6. Employers noted that many technical and craft occupations are being transformed in terms of skill content. For example, many jobs in assembly lines now required some machine maintenance ability; maintenance occupations now demand familiarity with electrical and computer logic and

programming systems. Employers expressed their belief that in many professional/technical, managerial, craft, and service occupations, a commitment to continuous training is necessary to develop and to maintain the productivity of individual employees.

7. Tennessee employers, whether referring to production workers or to managers or technicians, emphasized the importance of a good basic education. A high level of proficiency in language and computational skills is believed to enhance both employee productivity and flexibility. Employers listed the primary requisite knowledge and skills for jobs in the next decade as:

   * computer logic
   * basic reading, writing and quantitative skills
   * science
   * business and economics.

   In addition, employers listed a lack of basic interpersonal skills as a chief reason for employees failing to give up a company's career ladder. Other indicators suggest that many adult workers also are hindered by an inadequate mastery of basic skills in reading, writing and computation. Without the basic educational underpinnings, changes in the occupational and industrial structure of Tennessee will be hampered by an inadequate supply of trained and trainable workers.

RECOMMENDATIONS

The following recommendations were derived from the discussions, interviews, data, commentary and analysis of findings. The Task Force recommended that:

1. The state develop a Tennessee education and training policy through legislation and/or executive order which formally demonstrates the state's commitment to developing a higher quality labor force.

2. The state define current or desired regional and/or statewide strategies for stimulating business expansion and attracting new industries. Where no such strategies exist, request state and local bodies (such as the State Department of Economic Development, local development boards, etc.) to generate them.

3. The administration and control of Tennessee vocational and technical education below the baccalaureate level be organized so that:

   a. duplication of services is eliminated,

b. training systems are more responsive to new and changing occupational requirements, and

c. business and educational representatives interact closely in assessing training needs and designing and executing programs to meet them.

Such reorganization could take the form of consolidation of the current agencies, boards, departments and commissions into one authority over all vocational and technical education. In the opinion of the Task Force members, the State Board of Regents would be the most effective vehicle for accomplishing this objective; it would be responsible for all area vocational schools and technical institutes as well as for the community colleges.

4. A statewide Business and Industry Advisory Board be formed, composed of influential business leaders appointed by the Governor. This board would:

   a. consist of at least 12 members representing the three grand divisions of the state;

   b. be charged with responsibility for reviewing and recommending new and revised vocational and technical training programs, promoting interaction between the business and educational communities, and ensuring short and long term responsiveness to employers' training needs; and

   c. serve as a resource to the State Board of Regents in matters of curriculum development, educational priorities, facilities and equipment needs.

5. The state develop a statewide education and training program which:

a. has an ongoing mechanism to identify changes in projected labor needs as well as in skill displacements;

b. has specific identifiable curricula to teach basics in reading, writing, computational skills, computer literacy, and work values and work habits and certifies that graduates of the system possess the basic skills which are required for entry-level jobs;

provides incentives (e.g., differential pay scales) to attract high-quality teachers in occupations which are in high demand in industry, such as science, mathematics, business, computer and engineering related disciplines;

d. provides incentives and mechanisms to facilitate industry/teacher internships and exchange programs for the purpose of teacher development and upgrading;

e. develops long term industry/education cooperative training and retraining to update special skills in technical and craft occupations such as machinist and tool and die worker;

f. utilizes the current State Industrial Training Service to coordinate and develop formal linkages between employers and schools to assure coordination in areas of high employment potential and where special industry-specific training programs are needed. The Industrial Training Service should be closely associated with the Board of regents so that all occupational training in the state is properly coordinated.

6. A special task force be formed to coordinate the design and delivery of computer-related instruction to all levels of the education and training system from elementary schools upward.

7. A cooperative statewide industry/education pool of communication equipment and services be developed. The objectives of such a pool would be to:

   a. complement and supplement the education and training system's ability to respond to short run, industry-specific training requirements and

   b. support existing businesses and attract emerging industries which have high requirements for information transmission and information management.

8. The officials responsible for implementing the above recommendations recognize that most of the changes will require continuity and a long-range commitment transcending the term of any one administration. It is therefore essential that the recommendations be integrated into a cohesive plan that will achieve the mission of expanding job opportunities, developing job skills and increasing per capita income and economic well-being for all Tennesseans.

As a result of this Task Force report and other inputs the Alexander Administration developed a theme line that would ultimately lead to the passage of the "Better Schools Program." A program recognized across the country as innovative, creative, and in step with where our nations industrial leaders felt U. S. Education should be headed. It is safe to say that General Motors would not have selected Tennessee for their much heralded Saturn Plant without the promise of a state educational program designed to prepare Tennesseans for the jobs of the future.

From Mountain City to Memphis Governor Alexander stated that this new "Better Schools Program" would center on three (3) major issues ... Basic Skills first... Computer Skills... and new job skills for all Tennesseans.

Recommendations one (1) and two (2) in the Task Force report were carried out through the development of the "Better Schools Program." Recommendation number three (3) was implemented through the consolidation of the area vocational schools, technical institutes, and community colleges under the control of the State Board of Regents. While some duplication of services still exists this consolidation has greatly enhanced the delivery of training. Components of recommendations four (4) and five (5) have been put in place via the Better Schools Program eg. Basic Skills First, a program designed to insure that once a child reaches the eighth grade he/she has at a minimum eight grade skills. The Career Ladder Program, The Science Alliance, Chairs of Excellence at our Universities are also important examples of how recommendation five (5) was implemented.

State-wide computer education programs with local computer instruction councils was the result of recommendation number six (6).

With regard to recommendation number seven (7), I am of the opinion that we may not have developed the kinds of equipment pools for instructional purposes that the Task Force envisioned. Some progress however is being made along those lines.

The Task Force reference to a long range commitment to education transcending any one state administration in recommendation number eight (8), its final recommendation, seems to be within our grasp. The states new Governor, Ned McWherter served as speaker of the State House of Representatives throughout Governor Alexander's administration. He, the then Speaker, was instrumental in seeing that the Better Schools Legislation passed. Governor McWherter has said on many occasions that he intends to see that education remains our state's number one priority. I believe he means it. If the basic elements of this innovative program stay in place, and are enhanced by the McWherter Administration, Tennesseans of all ages and fro all areas of the state, rural to urban, will be able to read, write, compute and communicate in a world wide marketplace for the jobs of the future.

TABLE A

NEW OR RAPIDLY EXPANDING JOB OPPORTUNITIES IDENTIFIED IN REGIONAL JOB SKILLS TASK FORCE MEETINGS
JULY 1982

1. Instrumentation control technicians
2. Computer maintenance technicians
3. Computer programmers and machine control specialists
4. Computer operator
5. Office communication control equipment sales and service workers
6. Quality control engineers with expanded statistical skills
7. CAD/CAM computer augmented design/technicians
8. Multi-skilled craftsmen and machinists with computer skills and broad machine knowledge
9. Computer aided designers and draftsmen
10. Electronic technicians and maintenance workers
11. Tool and die makers
12. Machine repair technicians for high technology equipment
13. Health care and related medical service occupations at all levels including RN's, LPN's, lab technicians
14. Biological research technicians for biogenetic research/engineering jobs
15. Food service workers and managers
16. Service industry jobs in insurance, banking, and finance
17. Recreation industry workers
18. Child care professionals
19. Teachers of math, science, business statistics, economics, computer science, and technical skills
20. Telecommunications/information workers with computer skills
21. Business administrators and foremen with knowledge of management information systems and data processing
22. Engineers and engineering technicians of all types
23. Skilled computer trades of all types
24. Systems analysts with both computer and business skills
25. Word processing machine operators
26. Managers with computer skills

SOURCE: Job Skills Task Force Regional Meetings held in Knoxville, Nashville, and Memphis, Tennessee, July, 1982.

NOTE: Not listed in order of importance nor ranked by speed of occupational expansion.

TABLE B

EXAMPLES OF NEW JOB SKILLS WHICH WILL BE REQUIRED IN TENNESSEE BY 1990

1. Engineering, electronic, automation specialists, mechanical technical training
2. Computer programmers, technicians, systems analysts, machine control specialists
3. Computer literacy and computer logic training
4. Data processing, typing skills and terminal manipulation skills
5. Computer assisted design and drafting training
6. Improved oral and written communication skills
7. Improved reading comprehension
8. Improved math, quantitative and science skills, and problem solving skills
9. Interpersonal skills such as listening, critiquing, meeting, and managing employees
10. Business economics and decision making knowledge
11. Electronic skills
12. High quality technically trained educators and educators with business experience
13. Technical training in health related occupations
14. Multi-skilled craftsmen and mechanics
15. Financial managers
16. Transportation system knowledge
17. Small business management skills
18. Basic electronics keyed toward understanding mechanics of automated equipment
19. Electronic and computer maintenance

SOURCE: Jobs Skills Task Force Regional Meetings held in Knoxville, Nashville, and Memphis, Tennessee, July, 1982.
NOTE: Not listed in order of importance.

"Meeting Future Job Skill Requirements in Tennessee", a Report to Governor Lamar Alexander by The Job Skills Task Force, is retained in committee files.

Chairman Miller. Thank you.

In your statement, Dr. Gaventa, it would seem that your principal is at odds with the Governor's task force on one, the future goals and two, what the current and future employers within Tennessee desire. The statement that, if the principal does not have the money, he should not be required to spend money on meeting basic skills—on the theory, I guess, that the children are only going to travel down to the local fast-food place of employment—does not speak very well in light of what the Governor's task force is recommending and thinks of the future of the State.

Those two do not mesh very well with what is going on here.

Dr. Gaventa. But it is from West Virginia, but I think the principle still holds. My point is that while the educational strategies, I think, are very, very important, they do not offer a lot of promise for rural youth who cannot see any place that they are going to be able to use that education once they get it.

I do not think that the educational strategies make a lot of sense by themselves without also being willing to deal fundamentally with the employment strategies for the youth in our most depressed areas. We cannot do one without the other.

So, what do I mean by employment strategies? Well, first, I think that it is important that we look at ways that these youth, particularly these rural youth can create their own industries at home, and that when we talk about education we not simply talk about skills for them to leave, but we talk about skills for them to stay and start something that is community based and that will be around for awhile.

Currently, I do not feel like we have those kinds of governmental support structures to do that kind of educational assistance and economic assistance to depressed areas.

Chairman Miller. What would that be?

Dr. Gaventa. I can give one example of one community where a group of women are developing education for how to start a local cooperative, local worker-owned industry. For that really to go, it cannot go by itself. It has got to have State policies and Government policies that will say that kind of industrial development is also important, it is equally important to the kind of industrial development that recruits the smokestacks from the north, and we are going to give it some incentive structures, we are going to give it some concessions, we are going to give it some tax breaks, and we are going to try to help that along.

I think that is one part of it. I think another part of it is that it is important that we legislate policies which try to preserve community and protect community against industrial abandonment. Traditionally, as you all know, in the south, we have given all kinds of concessions for industries to come from our north, to locate here, but we do not impose any kind of cost on them when they decide to pick up and leave.

What can we do to protect the communities who are seeing their employers simply pick up and leave, and in my home town just last week, the employer that had been there for fifty years without any notice whatsoever told its workers sorry, you are off, we are gone.

Now, I think, therefore, we have to look at things like plant closing legislation at the state level and the national level, as a way of protecting our communities against this kind of abandonment, and if we are willing to take those kinds of stands to encourage new enterprises and to protect communities from industrial abandonment, then I think education for that employment structure will work.

Chairman **MILLER**. I also stated to the then-Secretary of Labor in 1982 about people from the northeast and from the auto industry and the steel industry and his response was that those people are just going to have to learn to pick up and move because growth is occurring in other areas of the country and that is a reality.

As I mentioned, a lot of those people did, they picked up and moved to the oil patch and I guess now they are moving back.

But let me ask you this: is this viewed as a negative connotation if somebody says that they want their children in the rural south to acquire skills so that they can leave? I mean, do you consider that abandonment? I question whether, you know, Tennessee should be educating students just for Tennessee or should be raising a variety of such an extent that students feel comfortable going anywhere in the country seeking employment.

I hate to say that that is because of poor economic conditions at home, but—by the same token, if a principal, fortunately not in Tennessee, because it would also be at odds with what Ms. Weeks said—but if a principal decides that his sole responsibility is to educate children for a fifty mile radius of the school, he is really shortchanging those children, because then we will never know what the potential was. And it seems to me that there has to be a little bit of both in terms of educational opportunities for young people that allows both horizons to be available; to stay home with an infra-structure like we are talking about or the choice to go elsewhere.

Dr. **GAVENTA**. I agree in principle, but I think as we have heard, right now, to the gap in educational quality between many of our rural school systems and other parts of the country is so great that to offer these students the promise that you get an education here and you can go anywhere in the country and compete, I think, is to offer them an essentially false promise.

Now, I think ideally it would work. Now, it is a very important distinction here for Appalachia. Historically, we have solved the problems of poverty in Appalachia by moving it around. When the mines closed in the 1950s, over a million people left our region and went to the cities in the north, and they became the industrial workers.

Now, as the new study by the MDC called "After the Factories or the Shadows Across the Sun Belt" points out, this time there is really no place for these folks to go, except maybe to the cities of the south because those are the areas that are growing, and if that happens, the report warns, and I think is true, we simply add to the problems of growth that these urban southern cities are already having.

So, I do not think that you can solve problems of rural poverty by saying the answer is move to the cities. I do not think that solves the urban problems or the rural problems.

Chairman **MILLER**. Do you suggest that compromise here in your discussion of how you connect rural populations to job opportunities? Is that realistic? Can you slate limited resources to build the kind of infra-structure that will be necessary to do that in terms of transportation and so forth?

Dr. BARTIK. In rural areas, you may not in urban areas.

Chairman MILLER. We are talking about connecting some of the rural areas to the job opportunities which, it seems to me, is somewhere between staying at home or moving to Nashville.

Dr. BARTIK. I think very realistically many rural areas are not going to have a tremendous expansion of employment opportunities. There are some fundamental economic trends that are hurting the economic base there.

Unless the Federal Government tomorrow is going to give Tennessee $20 billion to subsidize jobs in those areas, you are not going to see many of those rural areas be able to develop the kind of economic base we would like to see. So, what do you do?

I think you have to be more selective. On the one hand, you have to recognize that some people are going to have to migrate. Secondly, you are going to have to recognize that there are some smaller cities and towns that do have potential growth possibilities.

There are a lot of people in the United States who like living in small towns or small cities. We have to avoid extreme pessimism or optimism: that on the one hand, all rural areas are going to fall off the map or, on the other hand, that we are somehow going to build them up and prevent any decline. I would take an intermediate position that you can selectively build up some particular towns and small cities to some extent, possibly with some tax breaks. I think that trying to train people to start their own business is helpful in some cases. Entrepreneurial training, and trying to provide some financing for new business are other options. But these development programs are not going to totally solve the problems.

We cannot totally solve the problems of people in rural areas by focusing on places, rural places. We need to also talk about giving rural residents opportunities to move to where the jobs are.

So, I would call for a mixed strategy.

Chairman MILLER. Ms. Weeks, again, if you go back to what Mr. Carter talked about in terms of what is viewed as the program for the future, your testimony really plays out a very progressive approach to what you are going to be doing with young children in the State with respect to education of these children.

Are these children going to be different under this approach than the current children we will now be seeing represented in the educational statistics in terms of dropout rate and achievement?

Ms. WEEKS. We hope so. We know that children begin dropping out of school probably in the middle school years, and what we would really like to do is to make sure that children develop the skills and the self-confidence all the way through the educational process so that they do not become disinterested in school.

The major cause for dropping out is lack of academic success, which causes lack of self-confidence, and if we could keep students interested in school and keep them doing well, the hope is that they will then stay in school and that they will graduate and become more productive citizens. That is the hope, and, of course, you rightly pointed out that we may not see the results of this for some time before all the children move throughout the system.

We are seeing strong gains in the early grades and then a kind of flattening out in the middle grades and the high school. We clearly need to address those grade levels. We need to do more than we are doing now.

Chairman **Miller**. There has always been that notion that the longer you stay in school, the worse you are going to do. We will not go into that.

Within the program you have outlined, can I go back to what has been suggested in the testimony on the question of resources that are available. You are starting to see some progress, you are seeing some flattening out. But you really do not know the results of this until you move a group of children all the way through the system.

We went through this in California where we have now seen our first real positive test scores and, at the same time, the Governor has suggested we now cut out all of the money because it was a success. I do not know what that means to the people who are still in the system, but, in any case, Mr. Carter, maybe you can help on this, too.

I mean, do you see the economic resources being available to continue that kind of strategy? Do we see cutbacks more and more in the federal level, the states obviously having to shoulder an increased share of that just to stay even, if you will, forget running ahead? Are there prospects that we can do that over a decade or throughout the future of the state?

Ms. **Weeks**. First, let me clarify a point. We are seeing progress at the middle school and high school levels. I submitted to your assistant a report in which we reported to the legislature on our progress, and we are seeing gains, both at the middle school level and at the high school level. They are not as dramatic, however, as they were at the early school level.

What we are really attempting to do is build a new——

Chairman **Miller**. This is your testimony: "Get it right the first time."

Ms. **Weeks**. If I were to pinpoint one area about which I am particularly concerned, it is the future of the teaching profession. As I mentioned in my remarks, what we really need to do is to develop incentives for teachers to enter the profession. I think that helping to finance their education is one thing that is doable.

You know, you cannot run schools from Washington, but you could provide the assistance for good people to become teachers. At the same time, at the state level, what we need to do is improve the working conditions for teachers and improve their salaries, and we definitely need to do that.

Chairman **Miller**. Is the state willing to do that?

Ms. **Weeks**. The State Board of Education has already taken a very strong stand on this issue and the new Governor has made a commitment, so we are hopeful.

Chairman **Miller**. Mr. Carter, do you have any comments?

Mr. **Carter**. I will agree with that. I think the state is very committed to the continuation of the funding that is required to develop the kind of educational system that the employers in this task force are asking for.

Another thing that has happened, too, is that local communities within the larger state system are doing things on their own to contribute—increase their local share of monies to the educational system that is teaching their children.

So, there is a combination of a much higher interest level in the local community, coupled with an umbrella approach by the state that says our mission is to improve the quality of the kinds of people that come out of our institutions, and I think we are going to make it, but again as the task force noted, it is going to require some time and some commitment and it is going to have to transcend changes in administration.

Chairman MILLER. Thank you.

Mr. COATS. Thank you, Mr. Miller.

First, I would like to thank the witnesses for testifying. They were informative, and we appreciate the information you have provided.

I would like to pursue the high school dropout question. I think that we have learned from the statistics, that if there is a way to escape the poverty trap it is to get a high school degree. However, that message is not being transmitted down to our young people. They must not believe it or it must not be part of their environment because we see these astounding dropout rates. It is particularly astounding in the Appalachian areas where you ask kids why they drop out and a lot times you get answers like, "because I could not wait," "I did not want to wait," "I wanted my truck now," "I wanted my stereo now," "the job out at the plant is paying $6.75 an hour," and, "hey, I can make 200 bucks a week," but that is not a prospect in a lot of areas, particularly Appalachia.

Another reason, is people who once did not have a high school degree could enter the military. But now the Armed Services are saying they are not going to take people unless they have a high school degree.

So, there is really no where to go when you drop out, and, yet, we know that one of the routes out of poverty is a high school degree. Why this continued high incidence of high school dropouts? Where are we failing and why is that message not getting through? Does anybody want to further comment on that? I know we have already talked about it, but these statistics that you gave us here are pretty disconcerting.

Mr. CARTER. I think one of the things that is at the root of all of this is what happens in the individual family, what kind of support are those young people getting at home in terms of encouragement to complete a high school education, consider junior college or technical institute or something like that.

I think what happens is the individual home contributes a lot to the dropout rate and also by most state laws, young people are allowed to make that decision on their own at age 16 or 17. I do not know too many 16-year-olds that have the capability of deciding at that point in their life whether they ought to be in high school or not.

Mr. COATS. Is it a cultural thing, too? I guess that is what you are saying. Does that not push motivation within the family, when you have a cultural upbringing that stresses the value of education?

Mr. **Carter**. I am sure it is a factor.

Dr. **Gaventa**. Briefly, and then I will give my colleague a chance.

I do not think we can say the drop-out problem particularly in Appalachia is simply a cultural or family upbringing problem. I think that is in danger of simply being another way of blaming the victim.

I hate to say it but given the opportunities that we are offering nationally, that we are offering these young people, dropping out may be the most rational choice they have.

Mr. **Coats**. Why? Where are they going to go?

Dr. **Gaventa**. Where are they going to go if they get a high school education?

Mr. **Coats**. I know that is not a pleasant answer here, but at least they can read and write and perform basic math and that has to give them a better chance to improve their situation which has to affect the United States as a whole.

Dr. **Gaventa**. And then we have to ask——

Mr. **Coats**. That may be an answer——

Dr. **Gaventa**. And then we have to ask what happens when they go. Most of the people that I know who only have a high school education, who have left in search of jobs, are now coming back because they are really not finding them other places.

Mr. **Coats**. Well, what happens if they go without high school educations? They have even less chance of finding work.

Dr. **Gaventa**. Given what they can see on the horizon, I mean, you mentioned the example of well, it is easier to drop out and get a good-paying job in a plant nearby. They never needed a high school education for those jobs, and that is why they did that.

Mr. **Coats**. Well, now they do. Mr. Carter attached to his testimony Table A, rapidly expanding job opportunities for the region, and I went down through each one of these and I was just overwhelmed. Out of the 26 listed, I think I found 22 or 23 that had to work computers. Even if you are a machine tool maker, you make machine tools by computer now. Even if you are a draftsman, you make designs by computer. If you are a lab technician, you have to learn how to read computer printouts for blood samples and so forth and so on.

With very few exceptions, new skills are required.

Dr. **Gaventa**. Mr. Coats, in most of the rural high schools that I know in central Appalachia, they do not have computers in them. These students are not going to get the computer training that will make them compete until we are willing to offer that kind of quality education. Only then can we say that this gives you equal opportunity to compete on the world market, but if we do not have equal education, I do not think we can say the answer is equal opportunity to compete on the world market. You have got your hand up.

Mr. **Coats**. Dr. Forbes, I think you wanted to say something.

Dr. **Forbes**. If we take a look at those districts which have dramatically reduced their dropout rate, I think that is one place to look for maybe the answer. You have to be careful because some statistician-types get very creative with the numbers and can show dramatic decreases in dropout rates by the way they classify dropouts.

But given we have some good data and we take a look at those districts, there is very definitely a link between education success and the educational system starting with kindergarten or whenever they entered all the way through, and if you start building a record of lack of success, those become the at-risk students and those are the ones which dropout.

So, if we institute staff development programs and school systems which says to the teacher, are your expectations for those students that you perceive to be the lower performers, what are your expectations and how does that make you deal differently with those students, and once you start to get that message across, so that teachers start dealing in an equitable type of way with both those students that they would perceive to be their lower performers or lower achievers and their higher achievers, then some dramatic things start happening.

In your State of Indiana, the Decatur school system, which is one of the suburban school districts around Indianapolis, done a tremendous job with staff development which kind of turned around a number of things in which the teachers now view all students, like 95 percent of them, will be able to achieve, and that the teacher has to make sure that they give all the students an opportunity to achieve.

So, it becomes almost kind of an indoctrination-type program. So, that is one piece of it. Another piece is to make sure that there are opportunities to be able to use those skills maybe while they are still in school. So, in Georgia, I guess is the best example of where the entrepreneurial-type of programs have been put in place. So, there are school-based enterprise programs where the students are running a sheep farm, they are raising hogs, they are running child development centers, they are running copying and printing-type of operations, they are into the tourist business. There is just a list of things where people within the educational community and the business community have provided young people with an opportunity to be able to start their own businesses and to be able to achieve in doing these types of things, and, so, therefore, it becomes a motivational-type factor to keep the young people in school.

Mr. COATS. Just one last comment. Dr. Gaventa, you advocated the plant closing legislation and restrictions against abandonment and so forth. If that legislation had been in place in the sixties and seventies, Tennessee would not be anywhere near where it is today. Today, half of the Indiana jobs came down here to Tennessee during that time because of lower wage rates and a lower cost of living. You know, what goes around comes around.

We have lost an awful lot of jobs in the Midwest, the industrial belt, to your State, the States in this region. If we left that legislation in place, they would not have been there.

Dr. GAVENTA. I am sorry you lost those jobs. The south has been on the receiving end of those jobs, but it also—the State of North Carolina, for instance, has led the Nation in plant closings. So, when they come here, they do not necessarily stay and they come for awhile and they pick up and move on and that is what we are seeing now, and I think as a result, your communities and ours are both losers.

Mr. CARTER. One other point about plant closing legislation. It makes me a little nervous when we start dictating to business people in this Nation whether they can stay in one place or be free to move where they can get their raw materials cheaper and to be able to competitively market their product and produce it at a price that is going to contribute significantly to the cost of U.S. goods which is going to further put us out of the world marketplace.

So, I am not too happy about the plant closing legislation.

Mr. COATS. I think that is the very reality that we have to deal with these days. You know, things that hurt our economy internationally, it is not only Indiana versus Tennessee, it is Tennessee versus the United States and the United States versus the rest of the world. We have got to make our products competitive. If we cannot make our products competitive, we are all losers. We have to take that into consideration.

Thank you, Mr. Chairman.

Chairman MILLER. Mr. Anthony.

Mr. ANTHONY. Thank you, Mr. Chairman.

Mr. Carter, is there a possibility of some middle ground, though? As I understood what Mr. Gaventa said, is that a plant has been there for 50 years and it, in fact, up and left immediately with no notice, he did not say make the plants stay there. He just said that there appears to be maybe out of a mainly common courtesy of allowing those families an opportunity to withstand the shock, to be prepared, if they are going to lose the job that they have had for a long time. The plant has been there for 50 years. I daresay that there have probably been fathers and sons and grandsons maybe that have worked there.

Do you think there may be some middle ground here where factory managers and owners would be willing to take some type of legislation that would say that they should give some notice, some reasonable advance notice?

Mr. CARTER. There are some classic examples already in place of the system working without the legislation. Again, I am a little leery of legislation that mandates those kinds of things to U.S. corporations. There is a classic example in Tennessee, the Alcoa Aluminum plant in Alcoa, TN, which has been there on the order of 40 or 45 years.

They have had, because of the worldwide competition for aluminum, to look at fully refurbishing and redoing their facilities to the tune of about $250 million to maintain their competitive edge in the aluminum market.

Because this modernization is going to displace or eliminate some 450 jobs, (2 years from now) they are already in a program to educate their current employees, the ones that are most likely to be affected by this modernization, on ways to go after new jobs, ways to improve their job skills. There is a council in the region looking at these employees and their basic skills and helping to locate them in industries that are expanding in our region of the State.

So, I submit that U.S. industry is looking at the issue and is designing programs of the type that I have described that can be put in place without mandating that kind of legislation.

Mr. Anthony. I could not agree more with you. We have got Reynolds Metals located in my congressional district and they are in the process of shutting that plant. They are in the process of doing the same thing because they knew it was a matter of time. However, last week, I went into a plant that is only 4 years old. It is a profitable plant as of today based on the plant manager's statement to me, and at the time I was in the plant, it was in the process of being swept broom-clean because the company had literally said overnight we are shutting it down.

Now, here are 400 workers that are out of a job that do not have two years of replacement training. They are suddenly scrambling around trying to find a new tenant for a very, very large industrial complex, and as you know, being the executive officer of the chamber, the larger the building, the fewer the clients that will come in.

So, I just wonder whether or not maybe there is some middle ground here in terms of taking care of those circumstances where the notices are given on Monday morning after the workers have gone home on Friday and had a nice weekend and they are ready to do another hard day's productive work, if they are given their slip to go back home because the plant is shutting down. Maybe I think that is—would you like to clarify the statement for the record, Mr. Gaventa? I do not want to testify for you, but that is the way I interpret the comment.

Mr. Gaventa. No. I think the question of advance notice, giving people opportunity to get some new job skills, are really at the heart of the matter.

I think it is also a question that is not simply a one-way street. I agree we should not necessarily legislate corporations and tell them what to do, but on the other hand, we have offered them as a State an awful lot of benefits to come, and I think, therefore, they have some responsibilities when they pick up and leave to the state. I do not think that is overly—being overly difficult.

The question—I applaud the Alcoa program, and the one that you described, but I ask the question, what happens when the programs are not in place and what happens particularly when you have all the retraining programs in the world but there is simply no new jobs for which to retrain these people. I think that is the heart of what we are after.

I mentioned to you earlier that I have interviewed 175 women workers who worked for 15 years in one textile mill in the same area that you are talking about. They actually—most of them actually received money through the Trade Adjustment Act, so they could get training. So far, only eight of them have found any sufficient training program because the training programs are linked to training for existing jobs and on the whole, I think, we are not finding adequate training nor adequate jobs for these low skill textile workers, women, minorities, that traditionally have been the workers in our rural communities.

So, what are we going to do with them and, more importantly, what are we going to do with their children?

Mr. **Anthony**. Dr. Bartik, you said something that intrigued me, and I was just curious if you could expand on it a little bit. You said that in rural areas and you described Tennessee and you could have taken your testimony and struck the word Tennessee and put Arkansas in it. I represent a little community that is drying up, there are no jobs and it is because of the raw commodities in the present market worldwide that they are being forced to go other places, but how would you go about providing a growth center? I take it it would take 10 or 12 counties and, say, some place within that area would be the place that you would try to target industrial growth and let other people commute into that area?

Dr. **Bartik**. That is basically what I was suggesting. I think you would have to have a multicounty planning process. I do not know if Arkansas has this problem, but in Tennessee, we have 95 counties and——

Mr. **Anthony**. We have 75.

Dr. **Bartik**. Well,——

Mr. **Anthony**. And I represent 23.

Dr. **Bartik** [continuing]. I mean, there is sometimes a problem with the counties working together. The counties do not correspond to any logical economic unit, but are based on a day's travel when the horse was a means of transportation. Now, it is not true that county boundaries make sense any more. They do not correspond to labor market areas or economic areas or anything that is logical.

You need to somehow get multicounty districts together and decide that in this multicounty area, this town, has the potential and encourage the growth of jobs in that town, you could call them enterprise zones if you think that is a politically attractive title, or you can call it other things, but you need to provide some incentives for jobs there. You can provide some infrastructure. You can see if you can work with entrepreneurial training which is a very promising idea. A number of states and local governments around the country are exploring that. You can see if you can get financing for new businesses there.

To be honest, I think when you talk about developing growth poles, we are talking about an experimental type of program. I could not claim that this will work in all cases, but it seems to me that we need to try. It is more feasible than developing jobs in every county, in every rural county, it seems to me.

Mr. **Anthony**. I am very intrigued by the process. As a member of Congress that wanted to work with the industrial base, I am finding that sometimes you have two competing towns within a congressional district that wants the same plant.

Dr. **Bartik**. That does not make any sense.

Mr. **Anthony**. As long as it is in my district, I can brag about it, but the mayor and the county judge and the school district wants it in their district so that they can put it on the rolls of the assessed value for that particular area, and, so, I think you have touched a real nerve with what you have done and challenged us at least to think about it because when you talk about the divided south and the rural and the urban, I can tell you that it is occurring in the state of Arkansas and I have got to believe that it is occurring all over the south.

Without question, we have got to do something about it. I would like at least to make you aware of an event that occurred yesterday in Washington, DC, with Speaker Jim Wright. He called together members who represent rural agricultural States, Oklahoma, Arkansas, Texas, Kansas, Missouri, Tennessee, Minnesota, were all represented at that meeting.

There came a consensus out of that meeting that every single one of those States were hurting just like you described in Tennessee in the division being created between the urban and the rural. Out of that task force came a commitment that we would try to put together a legislative package basically aimed at the farm community and we would try to put it together within the next 30 days, and hopefully we could present it to the proper committee and bring it to the House.

I just want you to know the message that you have delivered this evening is and has been offered at Washington, DC, but I also want to show you some of the contradictions that we are being forced to wrestle with.

Ms. Weeks just got through testifying about the need for more Federal help. You just said part of the problem was the international trade deficit and the domestic deficit. Last night about 1:30, one of the votes that we were required to cast was the 21 percent across-the-board cut on a $9 billion supplemental appropriation for fiscal year 1986, and part of the money that was contained in there would have been for education.

So, all of a sudden, here is a real live choice. We can either take your position and vote to do something about the budget deficit or we can take Ms. Weeks' position and vote to bust the budget, spend the budget, and improve the situation.

So, last night, while the audience was sleeping, the three of us had to put our voting card in the machine and literally take the position, and I think that what kind of scares the three of us, we talked about it getting off the airplane, is that we think that portends what the rest of the session is going to be about in terms of what the priorities are going to be in the Congress.

I make that statement to you to let you know that if you are very serious this year about having the Federal Government be involved in giving you more, you had better get to Washington, DC, and do some heavy lobbying because we are going to be forced to make some very difficult choices.

I would like to know a little bit more specifically in Tennessee because I have had a big running battle with the industrial development agency in the state of Arkansas about targeting. In the Tax Code, we do provide tax-free bonds for industrial development, and I am just curious as to the industrial development commission in the state of Tennessee, do they target where those bonds could be used or are they disallowed to go wherever the applications come forward.

What I am finding in Arkansas is that we do not target. So, when I find it in the high-growth areas that gets a federal flat subsidized bond, then the poor areas get nothing, the rich get richer and the poor get poorer, and, so, I really have been harping on this targeting an area, which is basically what you are saying, and I am thoroughly intrigued by that comment.

Maybe Mr. Carter could answer. Is there any targeting that goes on with that or assistance that comes in terms of a level of appropriated money and/or subsidized for the tax-free bonds?

Dr. **Bartik**. There is some targeting in different ways. With industrial development bonds, I believe the current situation in Tennessee is that in allocating where industrial development bonds go, we focus on export industries. I do not believe there is any geographic targeting in the industrial development bonds allocation. I believe the targeting is based on whether the industry is going to export to other states. The rationale is that if it is just going to produce products for Tennessee, then you are really not creating new jobs, you are substituting a subsidized job for an unsubsidized job.

In other areas, though, there is some geographic targeting, for example, in the community development block grant program. The small cities part of that program is run by the state, and they use it for various small cities around the state. Tennessee has switched the small cities program from being mainly a housing program when HUD ran it, to being more of an industrial development and economic development loan program. Loans under this program are targeted at areas with high unemployment.

You have a much better chance of getting a loan if your area has high unemployment. When a town applies for a loan to help a plant move to that town, your application is scored higher if you have high unemployment.

Also, there are a couple of new programs that have some geographic targeting in them. There is this new seed capital program that Governor McWherter sponsored when he was speaker of the house. They are still working out some of the guidelines as to exactly how that program will work, but it would involve geographic targeting. They are trying to figure out how to target. Like everyone else, Tennessee officals have trouble figuring out how to target resources. There are also some other programs that are targeted as well.

But it has traditionally been the state's position to just try to attract jobs everywhere. But there has been, I think, some movement toward more geographic targeting. I think Governor McWherter is interested in targeting.

Mr. **Carter**. Your point about the rich getting richer is exactly how it used to be in Tennessee. A lot of action took place in Nashville and Chattanooga and Memphis, most of it in middle Tennessee, however, and they tended to get most of the industrial development bond issues which are controlled by the state department of economic and community development, which is similar to AIDC in your State, Congressman Anthony.

Now, the process is much more detailed and there is a system that has been developed by the state ECD in Tennessee where you can—if you have got a project or potential for a project, submit the characteristics of that project to the state department of economic and community development and then bonds are allocated based on a review of the projects. Some of the characteristics that Dr. Bartik talked about are a part of the evaluation process. The department allocates bonds based on that system.

So, it is not—what it ought to be yet, but it is much more improved over what it once was.

Mr. **Anthony**. One final question, Mr. Chairman.

Two or three of the witnesses touched on this, but this is something that has been bothering me in looking at the long run. The demographics show that the baby busters are coming. The baby boom is over with. If we have a huge dropout, if we have the big illiterate pool of youngsters, what happens to our industrial base and what happens to the youth of the future when there are fewer workers, more competition for the workers, and yet we have this unresolved problem? Are we marching down a pretty sad course for them?

Dr. **Bartik**. I think we are moving potentially towards a real shortage of job skills in this country. I think that some New England states already face this problem, such as Connecticut and Massachusetts. They have problems in getting skilled workers.

Now, in Tennessee, we have this problem as well, and I think in the future, with the baby bust, that you are right, that there is going to be a tremendous shortage of different types of skilled workers, and that is going to be a problem for the U.S. economy. I think one of the reasons people look at why Japan is doing so well is that they have very, very highly skilled workers, and although workers in Tennessee are very productive if they are trained, there is only so much you can do just with a willingness to work hard. You have to train workers as well.

Ms. **Weeks**. I would like to add to this discussion. We are experiencing a baby boomlet right now. We are beginning to see an upswing in enrollment in the lower elementary grades and that will continue on through the grade progression.

This only underscores the point that it is absolutely essential that we treat these children as if they are the resources of the nation. This boomlet is increasingly poor. It is increasingly minority. It is increasingly comprised of the children of people who do not have a lot of clout in the political process. Somehow we need to come to grips with the fact that this is the nation's future, and an investment in these children is what we desperately need.

Mr. **Anthony**. Thank you, Mr. Chairman.

Chairman **Miller**. Thank you very much. I want to thank all of the members of the panel for their testimony. I just have one question.

In your testimony, Dr. Forbes, I note you took notice of the disparity in terms of the expenditures in secondary and elementary education and higher education. Why is that? Is that true throughout the country? I mean, do you see that happening throughout the country?

Dr. **Forbes**. No. It is more dramatic in some of the Southeastern States, especially those four that I mentioned, and I think it goes back to the fact that it was certain people that had the opportunity to go on to higher education and they became the State legislators and people knew how to work the general assembly and, so, therefore, the dollars flowed into higher education.

So, some of the States like North Carolina, we are very proud of the higher education system, and it was that mentality that had been created that it is okay to spend money on higher education, but for some reason, the people in elementary and secondary education should learn how to do with the little bit we give them and they have to prove it before we give them any more.

Chairman MILLER. Well, how does that work out? I mean, who are they educating then?

Dr. FORBES. Who are the higher education educating?

Chairman MILLER. Yeah.

Dr. FORBES. It is that small percentage that historically the elementary and secondary education system had been there to serve. Many years ago, when I was going through the school system, we had like a 50-percent dropout rate, and some of us went on and to higher education and made use of those dollars that flowed into that.

Chairman MILLER. The reason I ask is that it is somewhat hard for me to admit, even if I am living 20 minutes from the University of California, Berkeley, but my son goes to the University of South Carolina. When he first came down here, I asked him how he was doing with his Southern accent, and he said, "Hell, Dad, they're all from New Jersey." I was just wondering, you know, you have a very large institution down here in terms of numbers of students.

Dr. FORBES. Right.

Chairman MILLER. And when you see this dramatic dropout rate, you see the problems that are occurring in the region in the elementary/secondary level, there is—if you combine the dropout rate with what you are suggesting in terms of again a screening of the population that goes on to higher education, you have really fallen off a lot with these young people out of the educational system, is that accurate?

Dr. FORBES. That is accurate.

Chairman MILLER. Ms. Weeks.

Ms. WEEKS. We do not comb them out in Tennessee, but we do have a terribly high attrition rate within higher education, and not to cast any stone at higher education, I would simply state that that is largely because we in the high schools are not sending them to college prepared to do college-level work, and we need to improve that.

Dr. FORBES. And I would think that is culling out.

Chairman MILLER. So, the—yes. The question was is that accurate?

Ms. WEEKS. Yes.

Chairman MILLER. So, this disparaging fact that we are left with in terms of the preparation of young people within a state to go to the State institutions or something within the region, to go to these regional institutions. We view it from the west coast, you know, this dramatic—what we view as a substantial—increase in investment in areas like North Carolina and, in effect, in the higher education institutions in South Carolina, as direct competition with what has happened in California, where we saw, under Governor Reagan and Governor Brown, the commitment to the university system decline. And we have also seen jobs immediately leave the state at that point.

That investment in higher education is being made but the corresponding investment in terms of leading young talented people to that system is not being made. So, when you get all done with this investment, the question is, I guess—and I do not know the answer, but I am just speculating in terms of cost benefits—you are really not creating the system that is able to take and manage the potential, the full potential of young children as they enter first grade. You do not have the system designed to follow that potential all the way through to graduation from the institution of higher education.

Dr. **Forbes**. What I was speaking of was historically what had happened, and I think in North Carolina now, there is a real commitment for increasing the dollars flowing into elementary and secondary education so that you will have that flow of young people from North Carolina, not the culling out process, but continuing.

I think the education reform package in South Carolina, which I consider to be the best in the country, is a very good example of where they are taking some dramatic steps in order to be able to do the same thing.

So, I think there is a number of positive things that are happening today to create that shift so that no longer you will have that disparity, and I think it all goes back to the business community's realization that you have got to have that trained work force in place and their interests that they demonstrated so in South Carolina, where they got behind and lobbied the general assembly to increase the taxes to make the money flow.

In North Carolina, we did not have to have the education community going in and lobbying to get the basic education program through. The business community sent their lobbyists in to do that, and that has happened in other states. Arkansas is another example, and throughout the southeast.

So, I am very optimistic of what is going to take place.

Chairman **Miller**. Well, thank you. The testimony which you have given us is fascinating and interesting. I do not think that this kind of turmoil that we see going on within our economy and what it means to the families, what it means for educational opportunities. I am a supporter of plant closing legislation. I think the corporations have to figure out what it means to employees. The same responsibility that they think they owe the shareholders and boards of directors, they owe to the people who gave them their sweat equity, if you will.

But, also, I think we cannot lose sight, even in California, where across the bay or around the San Francisco Bay Area, we saw almost an evaporation of the high-tech industry. This was going to be the future of the Bay Area and, in a matter of months, it moved offshore. And at the same time, in my district last year, they had maybe 35,000 new jobs in my single district. New jobs have been created, and you see this flux going on all over the country. I cannot lose sight in my mind that education somehow still is going to be the key to whether or not you are going to have the flexibility in your population to meet those demands. It will be interesting to see what is going on in the Congress. There is going to be one contract out there somewhere in the next year or so for super-conductors, super-colliders, and the States are trying to take stock of their inventory.

What is it that they can offer this high-tech investment? How many Ph.D.'s do they have; what is the underlying research; what are the underlying educational support systems; how can they continue to feed highly trained young people into this system? You have got Texas and California and Illinois and the Southeast, North Carolina. Everybody is looking for this investment.

So, there is this competition that is going on, and I think that States, and that is who I was talking about earlier at the Southern Governors Association, some of these education reforms that we have seen in the Southern States, I think, are, in fact, progressive no matter where you go in the country. I think what Governor Riley did in South Carolina is a model for what we would like to see happening in California, but the economic picture painted here between Appalachia and the urban areas in the South, I think, and in the coastal areas, you know, we talked about a bicoastal economic recovery, but even there, we are seeing massive shifts of economic opportunities in these places.

Thank you very much for your time and information.

Ms. **Weeks**. Thank you.

Chairman **Miller**. The next panel we will hear from will be comprised of Hayes Mizell, who is the coordinator for the State Employment Initiatives for Youth Demonstration Projects in South Carolina; Max Snowden, who is the education liaison, Arkansas Advocates for Children and Families, and staff of the Governor's Task Force on At-Risk Youth from Arkansas; Della Hughes, who is the executive director of the Oasis Center, Nashville, TN; Chris Rodgers Arthur, who is the project coordinator for Adolescent Pregnancy Prevention Program, Meharry Medical College, Nashville, TN; and Paulette Fewell, executive director of the Tennessee Council of Economic Education.

Welcome to the committee, and we will recognize you in the order in which we called you.

Hayes, it is good to see you. Welcome to the committee, and thank you for all your help.

Let me just say to the audience, too, that if there are some people here who think they have heard something that I said that they disagree with or there is information to be made for this, the record of this committee will be held open for an additional two weeks for submission of additional information. It would be helpful to the committee if you could just send it to the Select Committee on Children, Youth and Families in Washington, DC. The Post Office works one way. They can find us, they cannot find you.

Hayes.

STATEMENT OF M. HAYES MIZELL, COORDINATOR, STATE EMPLOYMENT INITIATIVES FOR YOUTH DEMONSTRATION PROJECTIONS, COLUMBIA, SC

Mr. **Mizell**. As you have heard from the previous panelists, the history of employment and labor in the South can be summed up in four phrases: slave labor, no skills, low wages, and no jobs or jobs with a very limited future.

But in some places in the South, and I would like to think overall, that picture obviously has started to change in the last 30 years. Inherent in that change, as you have also heard from the previous panel, there are many realities. I want to use as an example a concrete reality, a newspaper advertisement that appeared in the Columbia, S.C. newspaper this week. This ad was placed by Mack Truck, which is moving its Allentown, Pennsylvania, assembly plant to a rural majority black county that adjoins Columbia. Mack Truck is advertising for people to enter a training program, and that training program is for 14 weeks, it is free, and it is provided within flexible hours so trainees can hold their current jobs and be trained.

If trainees get through the program and if they are offered a job, they will start at $7 an hour, they will get $9 an hour after nine months, they will have a four-day, forty-hour work week, and so forth. And if a trainee gets through the program but is not offered a job, Mack Truck will give that person $1500 for their trouble.

Now there are many realities in this advertisement. If you are a current Mack Truck employee in Allentown, PA, there is a certain reality. If you are a person who lives in the Columbia, SC, area who is skilled and motivated, and who can make it into the training program, there is a certain reality which you are happy about. But if you are a person who lives in Fairfield County, where the plant will be located, who desperately needs all that this advertisement offers, and who does not have the skills to get into or complete the training program there is another kind of reality for you.

What happens when, for whatever reason, the opportunity is there but you do not have the skills? While we have come a long way in the South, we have certain legacies that just do not conveniently disappear.

In South Carolina, as late as in 1965, 60 percent of the people who had started the first grade in 1953 did not make it out of the 12th grade.

So far in the 1980's, by the State Department of Education's count, we have more than 79,000 dropouts in the State. These kinds of problems throughout previous decades explain why we have nearly a million adults in South Carolina over 18 years of age who have less than a high school diploma. We have a lot of work to do in South Carolina.

We have a big business of cleaning up the things that we did not do in the past for reasons that are familiar to all of us. Now, we have 70,000 people in adult education programs. We have 10,000 people eighteen years or older in the state technical education developmental education program, which means they do have the skills to get into the regular tech program. These are people who are functioning at an academic level of the sixth grade or less. In other words, we are just trying to gear them up so they can get into the technical program. Like other States we also have JTPA programs, big vocational rehabilitation programs, and big tech programs, because somewhere we did not understand that it is easier and it is less expensive to educate than it is to reeducate and it is easier to train than it is to retrain.

But we have continuing problems. We have a lot to feel upbeat about in South Carolina as you have already heard, but we have continuing problems. We have dropouts. We have kids who are expelled from school. Latin American countries are not the only places that people seem to disappear because we have people who apparently disappear between the 9th and the 12th grade, at least in a statistical sense. We have people who get perhaps past the ninth grade but they do not graduate, which is another category, and pretty soon we are going to have people who graduate but not with a high school diploma.

The thing that we do feel good about and the reason that we have some hope of working on all these problems is because of our historic Education Improvement Act, which has this year put $55 million in State funds for compensatory and remedial education. We have 245,000 kids in the State who are getting these programs this year. We are spending $9 million this year on a program for 4 year olds who have severe deficiencies that put them at risk of not succeeding when they enter elementary school, and we have 7,000 of these youngsters we are serving.

We now have the highest average daily student attendance rate of any state in the country and that has been true for the last 2 years. We have more students moving out of the bottom quartile on the Comprehensive Test for Basic Skills, so forth and so on.

Like other States, we are really betting our State's future on early intervention, and as Ms. Weeks said earlier, the real issue and the real question is how well are we going to be able to sustain the very impressive gains that have been made at the elementary level.

By about the mid-1990s, we should get some sense as to how well we have done, but we really do not have the luxury of putting all of our resources into preparing the work force for the year 2000 and beyond. We have the immediate problem of what to do with the folks we are not educating. Those who are in, say, the 7th to 12th grades.

Let us look at the current ninth grade which has a statewide enrollment of 51,000 youths. If we continue at our present rate, only 35,700 of these young people will make it into the 12th grade, not graduate, just make it into the 12th grade, and slightly more than half of these will drop out or will be expelled. We do not really know what happens to the remainder; We have some strange kind of way of rationalizing that we think that maybe they move out of their district or out of the State, but we really do not know that. Of the number that make it to the 12th grade, we can expect about 9,000 of them to be performing comparable to the very lowest achievement levels of students all over the country.

We also have another feature of the EIA, which is sort of the dark side of the force. It may be, it may not be. I am one of the people that was on one of the committees that helped to develop the EIA so, I am not really casting stones when I talk about this problem. I just think it is something that we need to be aware of.

Next year, the 10th grade class will, for the first time, take an exit exam, which is not a minimum competency exam. It is a pretty tough test. I recently took a sample of it. I missed eight of twenty of the math questions. I could not even figure the area of a circle when they told me what pi was. But they are going to be taking the basic skills exit exam, which has three sections, reading, math, and writing, and students have to pass all three sections in order to get a high school diploma when they complete the 12th grade.

Under State law students must be remediated if they do not pass one of the sections of the exit test. The test is untimed. They can sit there and take it all day long if they want to. They will have repeated chances, three or four more chances, and many people feel this is going to work out all right, and we all hope it does.

So, we are talking about this year's ninth graders who are going to be in the 10th grade next year, who were in the eighth grade last year. In the eighth grade we give a basic skills test. The exit test is kind of the culmination of the basic skills testing process which begins two weeks after students enter the first grade and continues through grades 1, 2, 3, 6, 8.

How did these students who are going to take the exit test next year, perform on the basic skills test last year in the eighth grade? Well, 44 percent of the black students and 19 percent of the white students did not meet the reading standard. Fifty-nine percent of the black students and 29 percent of the white students did not meet the math standard. Thirty-nine percent of the black students and 13 percent of the white students did not meet the writing standard.

I contend that is something to worry about. You have to worry about preparing people to take that exit exam. And for those who do not pass it, not just the first time they take it but perhaps the second or the third time, what is the motivation for these kids to stay in school and what is it we are going to do differently with these kids?

If we want to look to the future, and if we do not do any better than we have been doing, not even factoring in what might happen with the exit test, every year we could perhaps lose from the educational system about 15,000 students who ought to be in the graduating class but are not. By 1992 we could have 90,000 more people out there who do not have a high school diploma, who are undereducated, who are operating at very low skill levels.

If these people do not graduate, many of them, will be able to get some kind of job, if they are motivated, if in even a minimal sense they have been socialized to function in the work place, but the real tragedy is that they and their families are going to be for generations to come the members of the working poor. These are the displaced workers of tomorrow. These are the people who are going to be first affected by economic recession or depression. These are the people who everyday will have pressures on them that will manifest themselves in all kind of family crises that this committee is only too familiar with.

So, what do we do about this? Let me offer six suggestions.

First of all, we have to see educational reform not as an isolated event, but as an on-going process. We cannot assume that somehow we have reached a plateau. We have to instead, to mix my metaphors, look at it in terms of leaping a series of hurdles and there are more hurdles in front of us.

We have to deal with questions about identifying at-risk youth as early as the sixth grade, monitoring their academic progress very closely, and making sure they and their families receive the kind of support necessary for these students to at least survive in school and hopefully succeed.

We have to look at what we can do about overage youth in grades 7 through 10; that is, the kid who is in the seventh grade and who might be 14 or 15 years old. How do we get them access to pre-employment training or occupational training? What can we do when people do drop out of school?

We invest a lot in South Carolina in getting children in school, and trying to educate and develop them when they are there, but when they drop out it is up to them to figure out whether they ought to get more training. How do we immediately link them to education and training?

Second, we have to mobilize and coordinate all of the resources offered by diverse State agencies to keep kids in school. That kind of coordination takes political muscle on the part of the Governor and the legislature because it is not going to be effected voluntarily by agencies who, after all, have very specific missions to carry out by law and who, in any case, are often turf conscious.

Third, I think we can supplement our policies of compulsory attendance with what I would call a policy of compulsory development, meaning that all youth under 18 years old, will be some place being educated or trained. If a young person graduates from high school, that satisfies the requirement, but if she withdraws from high school, she is going to have to be able to demonstrate that she is in some kind of program, whether it is a correspondence course, a proprietary or public training program, an alternative school, or a youth detention home. Wherever that young person is, she is going to be developed so that she will be self-sufficient in the future.

Fourth, we have got to identify kids in grades 8 through 10, in particular, who look like they are going to have problems in the labor market immediately after they get out of high school. We have to provide them with the skills they need in a very focused intensive way so they can become employed.

Let me say in response to the question that was raised earlier about kids dropping out at the high school level, I think that for many youth who are at risk, who are either unsuccessful or marginally successful academically, the high schools, the way they are currently structured, are just not great places to be. I think many youth choose to opt out because secondary schools are not very good places for them to be at that point.

Fifth, I think all states have to insist that by at least the tenth grade, kids be in a clearly defined curriculum sequence which is leading them either to postsecondary education, to a job or to military service. Some people may say this is done now, but I will bet you if you ask students what it is they are going to do after high school, in the general sense, many of them will not be able to tell you because, in fact, what they are doing is merely trying to rack up units in order to graduate. There is no sense of preparation for what happens the day they walk out the high school door.

I also think that we have to give attention to the futures of black youth in particular. There seems to be a sense in the south that we have done enough, the opportunities are there, it is up to black youth to take advantage of the opportunities. But this is going to be the segment of the population which is growing the fastest, and we have a responsibility to do as much as we can to encourage black youth not only to stay in high school, but to go on to postsecondary education and to succeed in postsecondary education.

Now, all that would be easier if there was an adequate level of financial aid available from the Federal Government, but I am saying here that I do not think the South can wait for the Federal Government to come to its senses about student financial aid. We have got to do some things on our own and I think that one of those things is to mandate that high schools set targets for the percentage of their ninth grades, the enrollment they want to graduate from the twelfth grade, and to enter a postsecondary institution.

Finally, I think that to do all these things, the best route is through statewide policies and programs. In South Carolina we have seen what can be done under the EIA, but we have got to do a lot more. Because of the EIA we have a sense of what works and because we know what works, that imposes a responsibility on us that we did not have before.

Before, in a sense, we could talk about the impossibility of reform. There are provisions in the EIA that if you had asked me ten years ago if they were possible, I would have laughed. I did not foresee the day when the State Department of Education would be declaring a local school district as seriously impaired primarily because of the district's seventh and eighth grade dropout rate. That is a long way from where the State was 10 or 15 years ago.

But because we know the public can be mobilized, that tax moneys can be obtained, that the political will can be developed, I think we have a responsibility to come to grips with the kind of issues that I have very briefly touched on here.

Thank you.

[Prepared statement of M. Hayes Mizell follows:]

Prepared Statement of M. Hayes Mizell, Coordinator, State Employment Initiatives for Youth, Demonstration Project, State of South Carolina

Talking about the futures of under educated and under served youth in the South is not easy for many people because they believe that drawing attention to the problem threatens the region's ability to attract new industry and other forms of investment. But it has only been since the South has been willing to face its problems that it has experienced new heights of political leadership, unprecedented improvements in public education, and economic growth. The current optimism in this region is justified because men and women in leadership positions --from the classroom to the board room--are working hard to expand opportunities for human and economic development. More people recognize the need for change, and they are more willing to permit, finance, and participate in the experimentation necessary to find more effective ways of developing our people, and consequently our region.

Because this is such an exciting time for the South it is tempting to forget that our region is still in a state of transition. Only twenty years ago did we finally begin to dismantle the barriers created by legally mandated racial segregation. Only ten years ago did we feel we had completed the desegregation process and could begin to turn our energies and financial resources to new challenges. And it has only been within the past five years that many Southern states have initiated education reform programs that have set new directions for the nation as well as the region.

But in spite of the South's achievements we cannot expect the legacies of our past to conveniently disappear. As late as 1965 in South Carolina 60 percent (49,243) of the youth (59% of them Black) who started the first grade in 1953 did not graduate twelve years later. These young people are now in their late thirties to mid-forties. They have been employed with inadequate education and it is reasonable to expect that many of them have lived at or near the poverty level. And with less than a high school education they have raised a new generation of South Carolinians, most of whom are now in their twenties. We do not know how many of these children did not complete the twelfth grade school, but we do know that thus far during the 1980s, State Department of Education officials have identified 79,304 students as dropouts. While our state's dropout data are not without their flaws, if these figures are even half correct they indicate there are large numbers of adults and youth who do not have the education or skills to generate family incomes above the poverty level. These trends over past decades explain why in 1985 there were 912,640 adults in South Carolina with less than a high school diploma. Experience tells us that these data are not unique to South Carolina.

Our state, like most other Southern states, is working to address the needs of this under served population. In 1985 nearly 70,000 adults were enrolled in 592 adult education centers, and 6,947 adults received a high school diploma or GED high school equivalency. Also in 1985 the state's technical education system provided developmental education services to 10,720 persons eighteen years or older with academic skills at the sixth grade level, or less. In addition, academic and job training assistance is also provided under the Jobs Training

Partnership Act, the State Board for Comprehensive and Technical Education, and the Department of Vocational Rehabilitation. But it is no secret that it is more expensive, and less effective, to re-educate than it is to educate in the first instance, and to re-train than it is to train the first time around.

The challenge facing the South is like the aftermath of a great flood caused by a long and steady downpour of racial discrimination, inadequate education, limited employment opportunities, and low wages. For decades the mass of Southerners could only tread water, and over the years many people grew weary and fell victim to the swirling waters. But now the rains have diminished in their intensity. In some places there are even patches of sunshine in the sky, and people near the high ground have started to rebuild. The people in the low lying areas are still knee-deep in water but they are glad the rains seem to be ending. They see the waters slowly receding and they are preparing for the future. Even though there is a lot of work to be done the promise of better weather has been so long delayed that now there is a mood of celebration in the air. Still, the celebration cannot really begin until the rain stops and the earth is dry.

In this analogy the continuing "rain" represents the school-age youth who drop out of school, who do not receive a high school diploma, or who graduate from high school but still cannot read, compute, or write at a level that will enable them to obtain good jobs. These are the displaced workers of the future, the people who will lack the generic skills necessary to adapt to the changing demands of the labor market. Unless we act now to stop this "rain", our region's potential for continued economic growth may be jeopardized. As the nation's labor pool of available entry-level employees diminishes over the next ten years our region may not be able to compete with other states where a higher proportion of available workers will be able to apply their mastery of basic skills.

Significant action is being taken in some states. As a result of South Carolina's education reform initiative in 1984 this year we are spending $55 million in State funds to provide compensatory and remedial education programs to approximately 245,000 students who do not meet our state's basic skills standards. We are spending $8.6 million in State funds to prepare about 7,000 four-year olds who are at significant risk of serious learning problems when they enter elementary school. And last school year of the more than 12,000 vocational students available for job placement, nearly 80% were either employed in areas related to their training, or they were employed or studying in related areas in the military or post-secondary education. All this is in addition to the fact that nearly all of the state's pre-schoolers are in a kindergarten program, that for the past two years South Carolina has had the nation's highest rate of average daily student attendance, and that for the past several years there have been more and more students moving out of the bottom achievement quartiles on the national normative distribution of performance on the Comprehensive Test of Basic Skills.

Like other Southern states South Carolina is betting its future on educational programs for young children. We hope that a combination of early intervention, higher academic standards, strict accountability for improved performance, incentives, and the improved preparation and compensation of teachers will result in raising students' achievement levels. The early results are promising, but it remains to be seen whether the impressive gains of elementary school children can be sustained as they move through middle and high school. By the mid-1990s we should know how well we have succeeded in educating the generation of young people who entered school in 1985.

Unfortunately, we do not have the luxury of focusing only on the work force of the year 2000 and beyond. There is a more immediate problem. For example, this year there are approximately 51,000 students in the ninth grade. If present trends continue we can expect 15,300 of these students to withdraw from school by the time their class reaches the twelfth grade. About 55% of the youth who withdraw will either drop out or will be expelled. The other withdrawals will be assumed to be students who have moved to another school district or state, but because of flaws in our data collection system we will not really know what happened to them. Of the 35,700 students who make it to the twelfth grade, as many as 9,000 of them may perform at a level comparable to the nation's poorest readers at that grade level.

However, in South Carolina the Class of 1990 will confront a new circumstance unlike that faced by any preceding class. In the spring of 1988, when they are in the tenth grade, this class will take an exit exam which will be the culmination of the cstate's Basic Skills Assessment Program tests first administered within two weeks after a child enters the first grade grade and thereafter in grades one, two, three, six, and eight.

The exit exam includes separate untimed tests, administered on separate days, for reading, mathematics and writing. A student must pass all three sections of the exam in order to receive a high school diploma. It should be emphasized that when a student fails any portion of the exit exam state law requires the student to receive remediation in that subject. The law also provides that a student will have three additional chances to retake the portion of the exam that he/she failed.

No one can predict how the Class of 1990 will perform when it takes the test in the spring of 1988. Students who will take the exit exam were in the eighth grade last year. At that time they took the state's basic skills test for the eighth grade. The results were not encouraging. Forty-four percent (8,143) of the Black students and 19% (5,403) of the white students did not meet the reading standard. Fifty-nine percent (10,956) of the Black students and 29% (8,236) did not meet the math standard. Thirty-nine percent (7,139) of the Black students and 13% (3,628) of the white students did not meet the writing standard. Clearly, many of these students will have to make dramatic progress if they are going to pass the exit exam in 1988.

It is impossible to know how many students will fail the exit exam when it is first administered, or how many will never pass it. But as one teacher recently wrote me, there is reason for concern:

> I teach the seventh grade. Year after year I have in my classes numerous fourteen and fifteen year olds who

> do not do well in school and have not done well in school (sometimes NEVER have done well. These students are black and white, male and female. They are well on their way to dropping out; many are just passively waiting until they turn sixteen; others stay in trouble at school often enough that they are constantly suspended...The general public does not realize how many students there are in the real world of school (not the schools of 20 years ago) who, for an assortment of reasons, cannot pass the Exit Exam.

It is unclear how students who do not pass the exit exam will respond. Some may become motivated to work harder and take advantage of the remediation that will be provided to them. Others may choose to remain in school for as long at it takes--state law allows them to stay in school until they are 21 years old--to pass the exam and receive a high school diploma. Still others may become discouraged and simply drop out of school, particularly if they have previously been retained at grade level, or are significantly overage for their grade. By the time the Class of 1990 reaches the twelfth grade even more students than usual may have withdrawn from school.

Neither South Carolina, nor any other Southern state, can afford to loose fifteen thousand students, or more, from each graduating class. While dramatic progress has been made during the past two decades in getting students in school and keeping them there through the eighth grade, little progress has been made in reducing the numbers of students who leave school between the beginning of the ninth grade and the end of the twelfth grade. In South Carolina the Class of 1960 had 13,895 fewer students than when that class entered the ninth grade. The Class of 1979 had 17,591 fewer students than four years before. And the Class of 1986 lost 16,554 students between the ninth and twelfth grades. When Secretary Bennett of the U.S. Department of Education recently released his "wall chart" of states' education statistics, seven Southern states were identified as having lost from 36 percent to 45 percent of their students between the ninth grade and graduation.

Even if recent education reforms eventually have an ameliorating effect on these statistics that does not relieve us of the responsibility to take immediate action for students who are currently in grades seven through twelve. If, for example, during the next six years in South Carolina dropouts, expulsions, and academic under achievement continue to account for the loss of 15,000 students from each graduating class, by 1992 there will be a total of at least 90,000 youth who are not adequately prepared to contribute to, or benefit from, the economic future of our state.

To understand the implications of this loss of human potential it is not necessary to depict an apocalyptic scenario of unemployment, dependency on Aid to Families with Dependent Children, food stamps, Medicaid and other cash transfer programs, though this will surely be the case for many of these youth. No, the issue is not whether these young people will find jobs. If the national economy is reasonably sound and if people keep moving to the South, neither of which can be assumed to be permanent conditions, in the near future there is likely to be an adequate supply of full-time and part-time minimum wage jobs, particularly in the service sector of the economy. The real tragedy will be that too many of these youth will join the ranks of the working poor. Their lives will be dominated by limited options, unfulfilling work, and pressures which will put them and their families at risk. Throughout their lives they will be the people must vulnerable to the vagaries of the labor market. During times of economic recession, or depression, they will be the first to become dependent on government services, and to patronize the soup kitchens.

If the South is going to continue its economic growth it must be committed to fully developing the potential of every child. We cannot permit public school students to simply disappear, or to be rejected, with the assumption that they can cling to the lowest rungs of the economic ladder. Our region must determine to devote extraordinary attention to young people who, for whatever reason, are not mastering basic skills, who are isolated in and alienated from school, who lack the family support necessary to understand their options and to plan for their future, and whose motivation or behavior is not all we would like for it to be.

What can the states of our region do to address these problems?

First, we must be committed to educational reform not as an isolated event but as an on-going process. We must understand that like an athlete running the high hurdles, as soon as we have cleared one barrier we are faced with another obstacle. We cannot pause to catch our breath because other runners will pass us by.

There is only one way to finish this race: we must confront and clear each new hurdle. In practical terms this means having the intestinal fortitude to come to grips with problems we have not addressed. It means continuing to take risks and to experiment. What must be done to enable the skills of school counselors to be used more effectively? What must be done so that at-risk youth are identified as early as the sixth grade, so their academic progress is closely monitored, and so they and their families receive the support necessary for the students to at least survive in school, and perhaps succeed there? What must be done to enable overage youth in grades 7-10 to have access to pre-employment and occupational training? What must be done so that as soon as dropouts withdraw from school they are immediately linked to second-chance education and training programs designed to meet their unique needs?

The second initiative Southern states can take is to marshall all their resources necessary to keep youth in school, and to help them benefit from the education and training that is made available to them. This is not a task that can be carried out by schools alone. Southern states will have to organize and mobilize diverse agencies so their resources can be effectively brought to bear on youth who need them the most. This will require governors and legislatures to use their powers to break down the barriers between schools and occupational training, social service, health, employment, vocational rehabilitation, alcohol and drug abuse, and youth service agencies. Encouraging, or forcing, this cooperation is difficult and it can only be achieved if state leaders are willing to use their powers towards this end. While there is now more crossing of boundaries, and cooperation, among these agencies than ever before there is potential for more to be done. State and local coordinating councils can provide the forum for bringing these agencies together either to identify and solve broad policy issues attendant to better serving at-risk youth, or to deal with specific youth through an inter-agency process of case management.

Third, the South can supplement its commitment to compulsory attendance with a policy of compulsory development. Under this concept the State would require every young person up to the age of eighteen to be engaged in some clearly defined activity that would enhance his or her ability to become an independent and productive citizen. As is the case now, youth would remain in school unless they withdrew under the exceptions granted by a state's compulsory school attendance law. However, if they withdraw from school before graduating, they would have to be somewhere participating in a State-approved program of development--in an alternative education program, in a public or proprietary occupational training program, in an apprecenticeship program, in a vocational rehabilitation program, in a structured youth service program, in a juvenile institution, or elsewhere. Any out-of-school youth under eighteen years old encountering a potential employer, law enforcement official, social worker, or a judge would be expected to produce evidence that he or she was enrolled in an approved program of development.

Fourth, every Southern state can mandate and assist public schools to develop the capacity to identify individual youth in grades 8-10 who are most likely to enter the labor market immediately after high school without adequate skills to seek and obtain employment. These youth could be targeted to receive comprehensive employability development training jointly designed and provided by schools and appropriate state agencies. This training could either be incorporated into or supplement the students' regular curriculum. It might include coordinated basic skills instruction, intensive group counseling and career guidance, job search skills, orientation to and preparation for enrollment in high school vocational programs, etc. The primary objectives of this initiative would be to keep these youth in school, to effectively utilize the experience and services of appropriate state agencies, and to ensure that these youth are adequately prepared to successfully compete in the labor market.

Fifth, Southern states can initiate policies providing that by no later than the beginning of the tenth grade every public school student will be enrolled in a clearly defined curriculum sequence that is preparing them to enter either post-secondary education, the labor market, or the military after high school. At one or more points between grades ten and twelve students would be able to change their minds, but in any case they would be expected to declare the objective of their high school preparation, and their curricula would be developed consistent with that declaration. There would be flexibility in course selections, but every student would be expected to be preparing for either additional education, employment, or military service. Preparation, not just graduation, would be the purpose of high school. Without hesitating, every student could answer the question, "What are you planning to do after high school?"

Sixth, the South has a continuing obligation to give particular attention to encouraging Black youth to complete high school and to obtain post-secondary education. Given the history of Black people in the South it is only right that the region do all that it can to enable Black youth to shape their own futures. But it is also in the South's economic self-interest to do so. Demographic studies indicate that the population of Black youth is increasing at a much greater rate than any other group. Assuming that most of these young people will choose to live in the South, the more education and skills they have the better off the South will be.

Just because the South is providing better education to more Black youth than ever before in its history, we must not assume an attitude of "we have done enough" or "it's up to them to take advantage of the opportunities." That is a short-sighted view. Instead, we need to do much more to get Black youth into post-secondary technical education programs, community colleges, and four-year colleges and universities, and we need to provide these youth with the support and guidance necessary to keep them there until graduation. Encouraging Black youth to pursue post-secondary education is much easier if there is an adequate level of financial aid available from the Federal level. But the South cannot wait until the Federal government comes to its senses. We need to take affirmative steps of our own. The place to begin is in the seventh grade with an aggressive outreach campaign of counseling so that students and their parents begin to think about post-secondary education, and know how to plan for it. In addition, each year every public secondary school should set a target for the percentage of its ninth grade class it wants to graduate four years later *and* enter a post-secondary educational institution. That target should be widely discussed and highly publicized, as should be the results. When a school meets it goal, and when a percentage of the school's graduates surviving their first year's attendance at post-secondary institutions meets a certain State standard, the school should receive an incentive award. These efforts need to be supplemented with increased State financial aid, and scholarships provided by businesses and community groups.

If the South is to better prepare its young people for the future we do not need more model programs or demonstrations which may benefit a relatively small number of youth but which are seldom replicated for the vast number of youth who need them. The best route to preparing the South's youth for self-sufficiency is through effective statewide policies and programs carried out by adequately supported, skilled, and caring professionals. We know this formula works. Some Southern states are already yielding positive results because these components were brought together in the states' respective education reform laws. Now we must assure continued funding, closely monitor results, and refine program components as may be necessary.

But knowing what works carries with it a special responsibility. We can no longer claim that "it can't be done." Critical needs *can* be documented, public support *can* be mobilized, political will *can* be developed, and revenue *can* be generated. Now we need to acknowledge the hurdles that stand before us. Now we need to initiate new policies and programs that will result in the education and training of young people who will either be this region's blessing or burden in the years ahead.

Mr. **Miller**. Thank you. Mr. Snowden.

STATEMENT OF MAX SNOWDEN, EDUCATION LIAISON, ARKANSAS ADVOCATES FOR CHILDREN AND FAMILIES, AND STAFF, GOVERNOR'S TASK FORCE ON AT-RISK YOUTH, LITTLE ROCK, AR

Mr. **Snowden**. Mr. Chairman, members of the committee, first, let me express my gratitude for being before you today and for your interest and concern in the issues that we are discussing.

Though there are many problems that face large numbers of Arkansas children, I want to briefly address only one area of major concern, and that is attending to the needs of children at risk of school failure.

Each year in Arkansas, we have thousands of children, as do other States that are represented here today, who are excluded or drop out of school. There are about 700,000 of our citizens currently who have less than a high school education, and at the current rate of school leavers, we will add about 10,000 to that number each year.

As you certainly can appreciate, the economic and social impacts are staggering to a State, such as Arkansas. The preliminary indications of successful implementation of our education reform efforts have allowed us now to focus or expand our focus on a second but no less important area, and that is preparing disadvantaged youth for meaningful transition from school to work.

We recognize an improved school standard simply will not help young people who are not in school nor those who leave unprepared and as a consequence are in jeopardy of being lost as productive members of our communities. Arkansas faces high unemployment and traditional industries being lost as we have discussed earlier.

Drop-outs then are of an increasing concern, not only because of the growing numbers which we see over the years, but because the consequences of leaving school early are becoming much more severe. Children out of school and the growing numbers of those that we see are simply an educational, social and economic loss which our State can ill afford, and I sense that other States share that same feeling.

The baby bust generation is just beginning to make its impact in the work place. The number of youth reaching the age of employment is peaking nationally. The next—in the next decade, Arkansas' work force will experience an absolute decline of entry-level employees each year. Because of that and for a number of attendant reasons, we simply cannot afford to waste the potential of those children who are dropping out of school, from elementary school through the secondary level.

By keeping these people in school and preparing them for gainful employment, we can anticipate the tragedy of many wasted lives being averted; public assistance costs being lowered, and certainly of employers gaining a larger, better prepared pool of entry-level employees.

The ongoing reforms that are being forged in Arkansas, we feel, will provide the momentum as well as many of the avenues to address the problems of at-risk youth. The emphasis of our thrust is an integrated approach to that problem. Governor Clinton's efforts will provide the initiative and the coordination necessary to bring together State agencies, business, community and human services resources. As I said, it simply is going to take some involvement by the political process to be able to accomplish these tasks.

Attention to education reform in Arkansas essentially has really just begun. We have the initial stages of developing the reforms and establishing the effort and now will be able to move in that process. We will utilize the same successful process which was paramount in the elevation of quality of education in our State to initiate this second wave of school reform.

A focal point of that intent or that effort will be spearheaded by the Governor's Task Force on At-Risk Youth, which was just recently appointed. Premised on the belief that the best way to prepare our children for a positive transition is to provide a well-rounded education for every child, this project will effect cooperation between State agencies, business leaders, and others, and will simply serve as a catalyst to bring together the necessary resources in a concerted way to attend to the needs of disadvantaged at-risk youth.

Now, some of the major facets of the effort will include things that you are familiar with, that you hear about, that you are probably working with at some level in your own States. One of those will be additional training of school counselors. We in 1983, in the new reform movements, mandated that schools for the first time have to have both secondary and elementary counselors.

We will be training those people as well as administrators, emphasizing issues of at-risk children, the potential methods of identification, intervention and remediation, and assistance in developing and implementing such processes within the schools. We will also develop what we are calling education for employment committees across the State. These will be set up in a number of local areas. They will be comprised of business leaders, educators, and parents. What we want to accomplish by that is to look at increasing the participation by the communities to bring the realities of the work world into the context of the classroom through shared experiences in a number of ways.

We also want a priority by those local groups to look at better utilization or maximization of programs such as JTPA and vocational education funds. Finally, we want to develop access and awareness of existing resources to optimize the connection to those children who need those services that are not adequately provided by the educational system.

Finally, we will look at very clearly a problem area, and that is existing policy and procedures and climate issues of schools, and we will move for change of those that without question are detrimental.

Some concurrent efforts that also are afoot that will attend to similar concerns are initiatives by local foundations. Two significant foundations in our state will provide a source of funds to support school-connected programs impacting at-risk children as well as to facilitate a coordinated effort in addressing locally identified needs and, finally, to foster the empowerment of parents which we see as critically low in the state of Arkansas.

In an effort to positively impact the children at an early age, home instruction for preschool youngsters, also known as the HIPPY project, is being implemented on a pilot basis in Arkansas. The program is designed to promote school readiness of disadvantaged children by emphasizing the parent as the teacher as well as increasing parental participation in the child's educational process.

High/Scope, which is a training mechanism for child care workers, is being developed in selected areas. Through this training, child care staff will be taught methods of positively nurturing and developing the capabilities of those preschool children, and, finally, all child care staff will be required to receive training in the issues of what we consider to be indicators of quality programming at child care facilities, and we hope that that will simply result in greater achievement capacity for those children.

While the task is enormous, I think the premise is simple. We are developing a strategy to maximize available resources for at-risk children in Arkansas, albeit they are slim in a lot of areas. We also are recognizing that collaboration is the emerging paradigm. We are attending to necessary changes and feel that we are in the initial stages of establishing a proactive posture, yet it is clear that we cannot fully accomplish the task at hand without additional resources.

A significant national commitment shared by all levels of government, citizens, educators, and parents, as well as youth, is going to be necessary if children are to be adequately educated, prepared as productive and thoughtful members of the society, and I think that is an issue that we have to address. Not only do we have to look at the availability of job skills, but we have to prepare these people to be functional members of our social process.

We must be willing to demand the expansion of existing programs that we know work. We must be willing to support programs that show promise in having a positive impact on the population group, and we must be willing to continue to raise the issue on the public agenda. I can tell you in Arkansas that will be a critical effort because this has necessarily not risen to one of the top two or three priorities that the citizenry wants to deal with.

So, we feel clearly that a basic education, keeping the children in school is what we have to accomplish, and we cannot afford to view these children as being expendable any longer.

I appreciate being able to share our views, our visions and concerns, and I will be glad to answer questions.

[Prepared statement of Max Snowden follows:]

PREPARED STATEMENT OF MAX SNOWDEN, EDUCATION LIAISON, ARKANSAS ADVOCATES FOR CHILDREN AND FAMILIES, LITTLE ROCK, AR

Mr. Chairman, Members of the Committee:

I am Max Snowden, Education Liaison with Arkansas Advocates for Children and Families.

I want to express my gratitude in your allowing me to be here today and for your interest and concern for the welfare of children in America. Clearly, in my mind, there is no more important task for each of you to assume as a legislator than that of ensuring that the future generations of Americans are productive, capable, caring people. For if they are not, all else we do will be of little consequence.

Though there are many problems facing large numbers of Arkansas children, I will address only one area of major concern: attending to the needs of at-risk of school failure children.

Each year, thousands of school age children in Arkansas drop out of school or are excluded from attending school for varying periods of time. Presently, there are more than 700,000 people in Arkansas with less than a high school education. At current rates, over 10,000 will be added to that number each year. The consequent economic and social impact is staggering.

Preliminary indications of the successful implementation of Arkansas' education reform efforts have allowed us to now focus on a second but no less important area: that of preparing disadvantaged youth for a meaningful transition from school to work. We recognize that improved education standards cannot help young people who are not in school and who leave unprepared and in jeopardy of being lost as productive members of our communities.

Arkansas, part of the agriculturally depressed midwest, is facing high unemployment and loss of traditional industries. Dropouts in Arkansas are of increasing concern not only because of the expanding numbers, but because the consequences of leaving school early are becoming much more severe. The economic impact is staggering. Large numbers of children out of school represent an educational, social, and economic loss to our state which we can ill afford.

As distressing as this picture is for dropouts themselves, there remains another side. The "baby bust" generation is just beginning to make its impact in the work place. The number of youth reaching the age of employment is shrinking. In the next decade, Arkansas' work force will experience an absolute decline of entry-level employees each year. Arkansas, and the nation, can no longer afford to waste the potential of youth who are dropping out of school each year. By keeping these children in school and preparing them for gainful employment, we can anticipate the tragedy of wasted lives being averted; public assistance costs being lowered; and employers gaining a larger, better prepared pool of entry-level employees.

A basic tenet of Arkansas' school reform is that one of the single most important things we can do for all of our children is to provide an appropriate, competitive education to survive in an increasingly sophisticated world. Our children must stay in school and must learn the skills necessary to thrive in our changing world economy.

The on-going school reforms being forged in Arkansas will provide the momentum as well as many of the avenues for addressing the problem of at-risk youth. The emphasis of this thrust is an integrated approach to the problem. Governor Clinton's efforts will provide the initiative and coordination necessary to bring together state agency, business, community, and human service organization resources. We are enthusiastic about facing the challenge of exploring and providing changes that must be made. Attention to education reform in Arkansas has only begun. We will use the same successful policy process which has been paramount to the elevation of quality in education.

A focal point of the Arkansas effort will be a project spearheaded by the Governor's Task Force on At-Risk Youth. Premised on the belief that the best way to prepare our children for a positive transition from school is to provide a well-rounded education to every child, this project will effect cooperation by state agencies including the Department of Education, the Department of Human Services, Vocational Education, Employment Security Division, as well as business leaders, youth, and others, and will serve as the catalyst to bring together the necessary resources to, in a concerted way, attend to the education-related needs of disadvantaged, at-risk children. Facets of this project include: 1) additional training of elementary and secondary school counselors, as well as administrators, emphasizing issues of at-risk children, potential methods of identification, intervention, remediation, and assistance in developing and implementing such processes in the school; 2) development of education-for-employment committees across the state comprised of local business leaders, educators, and parents to focus on viable options for increasing participation by the community to bring the realism of the world of work into the classroom through shared experiences, as well as expanding the utilization of existing job-related programs such as JTPA; 3) developing access and awareness of existing resources to optimize the connection of the resources to those students needing services not provided by the education systems; 4) evaluation of existing policies and procedures to ascertain their impact on children leaving school.

Concurrent with these efforts, a number of other activities are afoot to address attendant concerns. Among these are: 1) an initiative by the Winthrop Rockefeller Foundation on at-risk youth to provide a significant source of funding for support of school-connected programs impacting at-risk youth; 2) an extensive effort by the Little Rock School District to institutionalize school-based efforts regarding at-risk students; 3) the establishment of an endowment fund by the Arkansas Community Foundation to support projects dealing with youth at risk, from which a coalition of youth-serving agencies has been formed to facilitate a focused effort in developing a concentrated, coordinated approach in addressing identified issues at the local level; 4) in an effort to positively impact children at an early age, Home Instruction for Preschool Youngsters (HIPPY) is being tried on a pilot basis in Arkansas. The program is designed to promote school readiness for educationally disadvantaged children by emphasizing the parent as teacher as well as increasing parental participation in the child's educational process. High/Scope, a training program for child care workers is being implemented in selected areas. Through this training, child care staff will be taught methods of positively nurturing capabilities of preschoolers. Finally, all day care facilities' staff in Arkansas will be trained in effective child care provision in the hope that promotion of quality programs will result in greater achievement potential.

The premise is simple--we are developing a strategy to maximize the available resources for at-risk youth in in Arkansas and recognizing collaboration as the emerging paradigm. It is also clear that neither our state, nor others, can accomplish the task at hand without additional resources. A significant national commitment shared by all levels of government, parents, educators, citizens, and children will be necessary if our children are to be educated adequately and prepared as productive and thoughtful members of society. We must be willing to demand the expansion of successful efforts which now exist and to support new strategies which show promise. Education is the key to economic development. We as a nation can no longer afford to view these students as expendable.

I apreciate the opportunity to share our visions and our concerns with you and look forward to the results of the committee's work.

Thank you.

Chairman **Miller**. Thank you.
Ms. Hughes.

STATEMENT OF DELLA HUGHES, EXECUTIVE DIRECTOR, OASIS CENTER, INC., NASHVILLE, TN

Ms. **Hughes**. Thank you, Mr. Chairman, and members of the committee.

I am going to talk specifically about a program that is offered by Oasis Center here in Nashville, but I would like to place the comments that I am going to make in the context of some issues that were raised by an initiative that was established by the Secretary of the Department of Health and Human Services, and has been furthered by a collaboration with the Department of Labor and the National Alliance of Business.

I am referring in particular to the Youth 2000 Initiative. I am only going to highlight a few of the comments from this so that I can show you specifically how our program relates to those.

The first issue raised by the Youth 2000 is that the number of youth in the work force will shrink by two-fifths over the next 13 years. "Unless the economy stagnates, there will be a job for every qualified youth who wants one."

Secondly, "a growing percentage of new entrants into the labor market between 1986 and the year 2000 are likely to be black, immigrants, Hispanic, from single parent families, or poor", and I might note that Tennessee is among those States in the union which has a very high immigration rate.

Thirdly, "children from disadvantaged backgrounds are more likely to perform poorly in or drop out of school, to be illiterate and to be less successful in the labor market."

I was interested in your remarks earlier about South Carolina. All of the states in the southeast, except South Carolina, are among those that are at the highest risk of having youth who are in need of special education services.

Some of the implications of those trends (and these are identified again by the Youth 2000 Report) are, quote, "If we fail to solve these problems during this window of opportunity," and that is identified as the time between now and the year 2000, "we can expect to enter the next century with social and economic problems that are worse than those of today. Not only are higher crime and welfare dependency rates likely, but radical or violent political or social actions could result."

A second implication. Traditional job training and employment programs by themselves are unlikely to have profound impacts on the future success of disadvantaged youth.

In developing our program, one of the things we did was to survey a number of JTPA projects in our area. The guidelines for entering those programs require that you must be seventeen and a half to eighteen years of age have a GED or just about to get it, and then, after you meet those criteria, be able to stay in a program that lasts anywhere from 6 to 18 weeks (and some go even longer than that).

The kids that we work with do not make it on any of those counts. The youth employment program at Oasis Center is designed to provide youth ages sixteen to nineteen with the knowledge and skills needed to secure and maintain employment. The young people that we target for our program are primarily low income by virtue of parental income, and young people from other situations that place them in a low income status. These young people are homeless by their own identification, are throwaways, are in foster care, are in independent living, and are teen parents. In fact, teen parents comprise 15 percent of the young people we work with. Seventy-five percent are black and 25 percent are white. Seventy percent female, 30 percent male, and 35 percent are dropouts. We consciously did not choose the "cream of the crop" in terms of predictable success rate to work with.

The program has the following components: a 2-week training course, employment search and placement, followup, after care, and youth employment activities. The 2-week training session is 2 hours a day 5 days a week for that 2 week period. We use a group format and utilize peer feedback very heavily—peer feedback and peer intervention.

We also use experiential learning techniques for these young people. Experiential learning seems to work most effectively with this population. When a young person needs individual attention, a counselor is available for that kind of contact to happen. The topics addressed during that two-week time period include a group building activity (getting the young people feeling good about being in the group and staying there for the 3 weeks) and then focusing on very concrete skills, such as, how to fill out applications, how to write resumes. They go through assertion training and learn key assertiveness skills. They learn interview skills. They do simulated interviews that are video taped and their peers critique them.

They learn about how you maintain employment. They learn very basic work habits—that you have got to be at work at 8 o'clock if that is when your boss says you have to be at work. They learn what terminating employment is all about—what that means, what the implications are. They have some focus on career planning. They develop telephone skills—because most of the time, that is how you make your first application or your first contact with an employer. Finally, they wind up at the end of that two weeks reviewing what they have learned during that period.

When they finish that segment of the program, they enter the employment search and placement component. They use the skills that they have learned. They use the peers that were participating in the training group with them in order to maintain a feedback loop that is so important as they are going about the job search component.

They get their employment interviews. The instructors help them process that, help them deal with that every step of the way. The employment search and placement process continues until the young person finds a job and is actually hired.

Once the youth locates employment, the followup phase begins. Followup means not only with the youth, it also means with the employer. We troubleshoot. We assist the youth and the employer in working out those inevitable problems that are going to arise.

Followup is maintained for a period of 4 months with the employer and with the youth. At that time, we then have what we call after care in which we meet for 1 hour a month in a group with all of the young people who have been through this particular process. It is a chance for them to air their frustrations and successes and to continue to support each other. These kids have high expectations about what they want, where they were going, and they are usually not able to get there as quickly as they would like. They are going to be frustrated. Our job is to help them work through the frustration so they don't quit prematurely.

Finally, the last thing we offer are activities that are designed for social interaction and to provide an outlet for these young people to provide community service.

All in all, these young people can remain in this program anywhere from 4 to 6 or even 8 months, depending on their particular needs.

The types of jobs that have been available to youth include some of the typical ones that you are aware of, fast foods or clerical, but they have also been getting day care jobs, landscaping jobs, janitorial, restaurant jobs, veterinarian assistant, customer service representatives. They have been working as sales people. They have been working in printing operations, working as tour guides and as telemarketing interviewers among others.

There are a number of factors that are very, very difficult in working with the population of youth that I have just described. There is a lack of affordable child care resources for teen parents. Nashville's transportation system is not extensive and it hinders the ability of youth targeted by this program to access jobs.

Disadvantaged and/or troubled youth frequently exhibit one or more of the following characteristics: (1), low motivation—they do not have much hope. (2), impulsive behavior, which is exemplified by an inability to stick to a program. (3), unrealistic assessment of their own abilities and expectation of the level of job they can secure and perform well. Four, emotional instability. Five, inability to appropriately control aggressive and/or angry feelings. Six, lack of or no family support. Seven, marginal academic preparation and poor reading skills. Eight, poor self-discipline, such as an inability to stick it out when the going gets rough, and nine, a need for instant gratification—"I want the job I want now."

I am proud to say that despite those difficulties, we have managed over the past 2 years to work with young people to have an 82-percent positive placement rate in the first year and an 84-percent positive rate in the second year, and in the first 2 months of this year, an 85-percent positive placement rate.

Now, I might just make one comment on the second year statistics because our positive placement rate usually means the number of young people who are placed and maintained in jobs. However, in 1986, 5 young people decided after going through our training that they really needed to get a GED. We considered that to be a positive placement, definitely a positive outcome.

We consider the success or the basis of the success for this program to be the fact that we have a low staff-client ratio and we really focus on followup.

So, what can the Federal Government and Congress do to assist us on a local basis? There are several things. (1), Congress can enact the Young Americans Act, and I would like to thank you who have already signed on to sponsor that bill. (2), the Youth 2000 Initiative is a strong one and a good one out of the Department of Health and Human Services. It needs your support, it needs our support. (3), it is paradoxically the same administration that is putting forth Youth 2000 that is also tying up title IV-E funds for independent living for young people. They need to be released.

(4), we need to support coordination of children and youth services at every level, at the Federal Government level, and we need your encouragement to the states for that coordination to happen.

And, then, finally, (5), all of us need to design and implement mechanisms for youth to have a voice and a role in addressing the issues that concern them. That will help keep kids in school. If they feel like they have a voice, if they feel like they are empowered to have some control over their own destinies, they will feel more involved in the process, and will help us in addressing these problems.

Thank you.

[Prepared statement of Della Hughes follows:]

PREPARED STATEMENT OF DELLA HUGHES, EXECUTIVE DIRECTOR, OASIS CENTER, INC., NASHVILLE, TN

YOUTH EMPLOYMENT PROGRAM

Historical Overview

The Oasis Center Youth Employment program began in 1985. It started with the theme of a "job club," a program structured as a club whereby young people could serve in peer support and tutor roles. Ideally the participants would share job leads and help train each other in the skills needed to obtain jobs. This club concept as it was used was not successful for several reasons: 1) young people would not stay in the program long enough to become "semi-competent" to then be able to train others less competent; 2) in a class of 10 recruits usually 5 would stay in the program; 3) the "club" image was not taken seriously enough and the youth didn't have a commitment to it.

In terms of staffing, the program started with one counselor and a VISTA worker, but it quickly became evident that to be successful, more staff were needed. The following staff categories were identified as essential: Employment Development Counselor, Recruiter, Caseworker and Teacher.

As more staff were added in 1986 and the program was further refined, the name was changed from Job Club to Youth Employment Program.

The Current Program

The Youth Employment Program is designed to provide youth ages 16 - 19 with the knowledge and skills needed to secure and maintain employment. The program curriculum is based upon a needs analysis and addresses the identified needs of youth seeking employment.

The Youth Employment Program consists of the following components: 1) two-week training course, 2) employment search and placement, 3) follow-up, 4) aftercare, and 5) Youth Employment activities.

Training Session:

The two week training course meets Monday through Friday for approximately two hours each day. Presentation style for the sessions is based upon an integration of traditional pedagogical and experiential learning methods. A group format, rather than traditional classroom style, is utilized to facilitate cohesiveness and increase participation. The group format is used throughout the two week training. Peer feedback and focus on positive change are stressed in this milieu. Individual sessions are held when the counselor or youth identify a special need. The first meeting of the two week training includes an assessment test to measure basic skills, a participation contract, a group building activity (ice breaker), and an individual interview to ascertain potential employment leads. The two week training curriculum is as follows:

Week One

Introduction
Applications and Resumes
Assertion Training
Interview Skills
Simulated Employment Interviews
(Video taped)

Week Two

Feedback Session : Simulated Interviews
Maintaining and Terminating Employment
Career Planning
Phone Skills
Review and Evaluation

Throughout the training course, it is advised that the youth keep a job search file containing handouts from the course, records of job leads, career goals, etc. for future reference. Collect these materials at the end of each session and return them to the youth as a set at the end of the course.

The curriculum may be adapted to address the needs of a special population. For instance, if the group is comprised of unwed mothers, you might elect to include sessions on parenting skills and choosing appropriate child care.

Employment Search and Placement:

Upon completion of the training session, youth enter the employment search and placement component. Youth begin an employment search using the skills obtained during the training session. After each employment interview, instructors help process the youth's experience via feedback and support. The employment search continues until the youth secures a position.

Follow-up:

Once a youth locates employment, follow-up communication with the youth and employer begins. This communication is maintained on a weekly basis via site visits, employer evaluations, and telephone contacts. During the fourth month of employment, contact is reduced to a monthly follow-up.

Aftercare:

The aftercare component consists of a monthly two hour discussion group. Youth are encouraged to use this group as a sounding board for their frustrations as well as their successes. Peer feedback and group problem solving are the major benefits of this support group. Youth at various stages of the Youth Employment Program participate in aftercare.

Youth Employment Activities:

Youth Employment Activities are held on a monthly basis. This component offers youth various avenues of involvement such as recognition banquets, dances, fund raising projects, newsletter production, and positions of leadership (president, vice-president, secretary and treasurer, historian, representative, member-at-large). This component enhances self-esteem, peer cohesion, and accentuates the youth's involvement in the employment process.

Final Note:

The adolescents who participate in the Youth Employment Program often have special needs which are addressed throughout the course. In order to be a part of the program, these young people must have reached a level of emotional stability and been assessed by program personnel as ready to handle the pressures and responsibilities of employment. Yet, they often lack the self-esteem, self-confidence and skills necessary for securing and maintaining employment. This course prepares youth for the challenges involved in the job search process and develops the skills and confidence necessary for a successful work experience.

Addenda

Demographics

Youth are recruited from housing projects (Preston Taylor, John Henry Hale, University Court), schools (Glencliff, Pearl-Cohn), the juvenile court, churches, social service agencies (Crittenton, Bethlehem Center, South Street), by word of mouth and through flyers. Most of our youth are at high risk and disadvantaged, evidencing the following characteristics: 1) low income; 2) homelessness, or in foster care and/or independent living services; 3) teen parents (mainly mothers but some fathers) - estimated 15%; 4) Black - estimated 75%; 5) Female estimated - 70%, Male estimated - 30%; 6) have either never had a job or have never been successful at maintaining a job; 7) dropouts-estimated 35%.

Types of Jobs Available to Youth

Fast Foods
Clerical
Phone/Receptionist
Landscaping
Janitorial
Day Care
Cashier
Restaurant
Veterinarian Assistant
Maid
Customer Service Rep
Insurance Clerical
Stock Person
H.G. Hill Grocery
  Stock Person
Sales Person
Printing
Hotel Worker
Tour Guide
Telemarketing Interviewer
Amusement Park Worker
Food Preparation Worker
Mail Room Clerk
Service Station Attendant
Car Wash Attendant
Dock Worker

Difficult Factors in Preparation and Employment of High Risk Youth

1) There is a lack of affordable child care resources for teen parents.

2) Nashville's transportation system is not extensive which hinders the ability of youth targeted by this program to access jobs.

3) Disadvantaged and/or troubled youth frequently exhibit one or more of the following characteristics:
   a. low motivation;
   b. impulsive behavior which is exemplified by an inability to stick to a program;
   c. unrealistic assessment of their own abilities and expectation of the level of job they can secure and perform well;
   d. emotional instability;
   e. inability to appropriately control aggressive and/or angry feelings;
   f. lack of or no family support;
   g. marginal academic preparation and poor reading skills;
   h. poor self discipline, such as an inability to stick it out when difficulties arise;
   i. need for instant gratification - "I want the job I want now."

Program Statistics 1985 through February, 1987

1985

Number finishing training classes	44	
Number placed in jobs	36	or 82% positive placements

1986

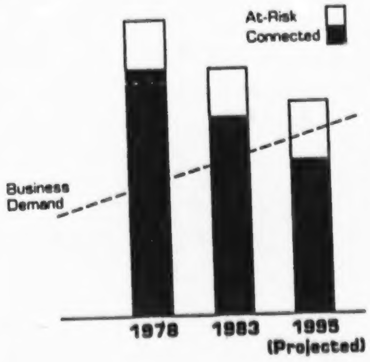
Number finishing classes	75	
Number placed in jobs	58	or 77%
Educational Referrals	63	or 84% positive placements

1987 (January and February)

Number finishing classes	13	
Number placed in jobs	11	or 85% positive placements

COMPLIMENTS OF EDUCATION COMMISSION OF THE STATES

Declining Youth Population With an Increasing At-Risk Segment Compared to Rising Business Demand for Entry-Level Employees



In 1978, 23% of the total U.S. population were between the ages of 16 and 24. By 1983 that percentage had dropped to 19%. Based on current birth rates, it will further decline to 16% by 1995. At the same time, the percentage of youth at risk is growing.

Assuming that the nation's economy continues to expand at a moderate pace, business will be forced to dip increasingly into the at-risk segment of the entry-level youth employment pool.

Sources: U.S. Department of Commerce. *Statistical Abstract of the United States*, 1984.
National Commission on Secondary Education for Hispanics. *Make Something Happen*, 1984.
U.S. Department of Commerce. *Business Conditions Digest*, March 1985.
U.S. Congress, Congressional Budget Office. *Poverty Among Children*, May 1985.
National Education Association. *The Strategic Context of Education in America, 1985-1995.*

Indicators of Growing Youth Problems

Children in poverty	▲	Up from 16% in 1970 to 22% in 1985. About 14 million children live in poverty. Almost half of Black children and one-third of Hispanic children live in poverty.
Drug and alcohol abuse	▲	Up 60-fold since 1960
Teenage pregnancy	▲	Up 109% for Whites, 10% for non-Whites since 1960
Unmarried mothers	▲	Up from less than 1% in 1970 to over 6% today
Female headed households	▲	Up from 12% in 1970 to 23% in 1984
Teenage homicide	▲	Up more than 200% for Whites, 16% for non-Whites since 1950
Teenage suicide	▲	Up more than 150% since 1950
Teenage crime	▲	Arrests up from 18% in 1960 to 34% in 1980 (18-to-24-year olds)
Teenage unemployment	▲	Up 35% for non-Whites, 60% for Whites since 1961

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YOUTH EMPLOYMENT FACT SHEET

WHAT:	The Job Club is an organization of teenagers who meet in order to improve their job finding skills. They receive assistance from a professional employment counselor as well as encouragement from each other in their job search.
WHY:	In 1985, 3.25 million people under the age of 25 were unemployed. The Youth Employment program of Oasis Center believes that if vital job skills are learned early, teenagers are far less likely to become unemployed adults.
CURRICULUM:	Participants learn how to complete job applications, how to prepare resumes, how to sharpen interviewing skills, how to make phone calls, and how to locate employment. Oasis Center assists in placement and provides the all-important support to the youth once they are employed.
SPONSORSHIP:	The Youth Employment program is sponsored by Oasis Center, a local United Way agency. The Center provides multiple services that benefit youth and their families--many of whom are experiencing troubled times. In addition, the agency offers adolescents unique opportunities for leadership and responsible citizenship in the community.
LEADERSHIP:	Judy Daniels, MSW Alternatives Director

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Employers report good workers emerge from Oasis Center's training program

By Linda Dono Reeves

They may be short on experience, but their attitudes can do a world of wonders.

Just ask Donna Roberts or Mary Holman or Patti Gibbons.

Their companies decided to give a few teen-agers from the Oasis Center's Youth Employment Project a try. And the women say they were rewarded with dependable, loyal workers.

One girl, a 17-year-old student at Glencliff High School, has never missed a day of work in the six months she has had her customer service job at *The Tennessean/Nashville Banner*, says Gibbons, the newspapers' customer service manager.

"She was just so happy to get the job," Gibbons says. "I don't think I have ever hired someone so happy to work in my life."

In her entry-level job, the teen handles phone calls from irate customers, solves billing problems and takes care of circulation complaints with aplomb, something people with more experience cannot always do, she says.

And the girl has made such a good impression that Gibbons says she wishes her department had a full-time summer job to offer.

"They seemed like they had the confidence," Roberts, personnel and office manager for Permanent General Insurance Co., says of the two teens she has hired to work within the past six months. She interviewed a third Oasis graduate, was also pleased with him but didn't have a position to offer at the time.

"They were sure of themselves. They weren't scared," she says of her first impressions in interviews. "I think most of them need a chance to prove themselves."

Oasis Center, which began as a teen crisis center in 1970, has been helping teen-agers learn employment skills through its Youth Employment Project for almost four years, according to Michael Higdon, the center's employment development counselor.

What students learn in an intensive 20-hour, two-week course are basic job survival skills — how to fill out an application; write a resumé; make a favorable impression during an interview; lose their fears of money and cash registers; assert needs without appearing demanding; react when confronted with temptation, perhaps the temptation to steal; and, when the time comes, how to resign politely and leave the employer with a good feeling — say Betty Everett and Helen Shulman, youth employment counselors at the center.

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The two weeks after the course are spent finding a job. About 75 percent to 80 percent of those going through the program do find work, Everett says. Most of the others decide before going on a job hunt to postpone work for a while.

The program, which is open to any teen, primarily helps economically disadvantaged youths, Higdon says. Some need to work to stay in school. Some have already dropped out of school but are working on General Educational Development degrees. Others are teen-age mothers struggling to become independent of their parents.

"I've seen most of these kids wanting to break out of that vicious cycle of dependence, whether it's parents or welfare," Everett says.

By the time the teens finish their Oasis coursework, most are prepared to tackle a variety of entry-level jobs.

About 40 went through the program this past year, Everett says. They have mostly part-time jobs in day-care centers, fast food franchises, offices and hotels. Some work as janitors or assistants to landscapers.

One young man works in the records center at Permanent General. His first job was to put folders of insurance policies in order and to make new folders. After about six months he has progressed to doing some record-keeping work on the company's computer, Roberts says.

"At first he was just shuffling papers," she says. "Now he fills requests," uses the computer and interacts with employees.

The company's second Oasis graduate, a girl, has moved from stuffing envelopes to more wide-ranging mail-room duties, Roberts says.

"Both of them have super attitudes. I don't know how they do it," she says.

Vanderbilt University is always looking for good, stable applicants for even its low-level jobs, says Holman, recruiter with the university. But that requirement makes it difficult for high school students to qualify.

The communication skills that Oasis taught two students who now work in the university's food service department helped them stand out from a crowd of other applicants, she says. And their attitudes impressed Holman enough to recommend them for hiring.

"They interviewed very well, seemed responsible and had good working records," the recruiter says. One teen has been in the job about five months; the other three months.

"And they are both in positions with very high turnover," Holman says. "That says a lot."

The counselors continue to guide them after they have their jobs, Shulman says. And yes, a few early graduates had been fired from their jobs because of insubordination.

"We don't really have too much of that anymore," Everett says. "We take those situations, and we talk to the youth and we analyze it."

"In most cases, the youth was not in the wrong, but the confrontation was," she says.

"That's what we are here for," Shulman says. "Kind of to stop the problems."

There's still hope for youngsters who drop out of school

MARY CRICHTON

Your Kids

Q. Our 17-year-old son dropped out of high school last year because he thought, "school was boring and unnecessary." We've had so many problems with him that compared to the others this didn't seem so bad.

Now, after a year, we realize this is probably one of the worst decisions he has ever made. Even though he has straightened up now and is not using drugs or alcohol, this decision continues to haunt him.

After deciding he needed a high school education (a little too late), he went to night school to study for the general equivalency diploma (GED). He has never been that good in school, and he failed this test twice. Now he says he won't take it again.

Since dropping out, he has had a series of dead-end jobs in fast food places and gas stations. He quit each one because of the boredom and low pay.

We want to help him do something with his life. Finishing high school is out because he's too proud to return to school or take the GED again. At age 17, he already acts like he has no future. He must have some chances left. Can you suggest alternatives for a high school dropout?

A. In spite of closing some doors by dropping out of high school, he still has other options. He hasn't ruined his chances for success as much as he has made his life a lot more difficult.

Successful people in the past have found rewarding jobs without a high school education, but they had to compensate in some way for not having it. Usually, they had natural abilities that made up for the lack of a diploma.

Through perseverence he can find a worthwhile job that offers more than just a paycheck. You don't mention his interests and abilities. Perhaps, by following up on these, he can find a job that doesn't require a high school degree.

He needs to take control in planning his own future by asking himself what kinds of jobs he would like to have and what these jobs require. By reading the classified pages in the newspaper, he can become familiar with how many of these jobs are available in the Nashville area.

His confidence and assertive-

time. Without a high school education, he will run into obstacles. It's not only important that he expect this to happen but also that he not let it get him down.

He might want to check out vocational schools in the area offering classes having to do with his interests. Then again, he might not want to be in a classroom atmosphere at all. If this is the case, there still are alternative ways for him to gain job readiness skills.

Because finding a job can be difficult, it might help him to go through a job readiness program. The Youth Employment Program at the Oasis Center offers teenagers, ages 13 to 19, a comprehensive job readiness training and placement.

Participants do not have to have a high school diploma or pay a fee to be in the program.

The monthly program involves two weeks of classwork and two weeks of job searching and placement. After counselors teach job skills, they help participants find employment. Counselor Helen Shullman says those who conduct the class prefer being called counselors rather than teachers.

In the class, teen-agers are taught to find job leads in the paper, write resumes, fill out applications and go through interviews. According to Ms. Shullman, throughout the entire program counselors stress the importance of assertiveness.

After the class, an Employment Development counselor matches teens with available jobs in the community. The counselors continue their support by arranging job interviews and providing transportation to the interviews.

Without these skills, it might be difficult for your son to have the perseverence to find a job. It's certainly important at this time that he succeed in something. That could be in finding a job interesting and worthwhile to him.

Your Kids is published every Wednesday in the *Nashville Banner's*

Wed. Feb 4, 1957

THE YOUTH Banner

Banner photo by Larry McCormack

Derrick Donelson found his job as filing clerk at Permanent General Agency through Oasis Center's Youth Employment Program.

Program provides job training

By Mary Crichton
Youth Banner Staff

Getting a job can be one of the hardest steps in being on your own. To continue looking for a job unsuccessfully can be even harder.

Support is crucial in maintaining commitment to find a job. Many young people in Nashville find this support in the Oasis Center's Youth Employment Program.

The Youth Employment Program provides job training and placement as well as career planning. Divided into stages, the monthly program includes a class that teaches skills in finding and maintaining jobs, help with actual job placement and follow-up support for up to a year.

Judy Daniels, director of Alternative Programs at Oasis Center, explained, "Having support is important in finding a job. The program not only provides skills but also the motivation to keep people's confidence up."

As part of the program, the Oasis Center has a recruiter who lets young people in schools, churches, and institutions know about the program. Ms. Daniels said that many of the program's participants are considered high risk for some reason or the other, either because they don't currently work, go to school or live with their parents.

For two weeks the participants meet at the Oasis Center where they learn important skills for getting a job such as finding job leads in the newspaper, filling out applications, writing resumes, and being interviewed. The next two weeks is spent outside checking job leads and finding jobs.

Throughout the entire job hunting process, assertion is important, Helen Shellman, Youth Employment counselor said. "We stress the importance of assertion at the beginning and use it throughout the whole curriculum."

She said that participants gain confidence in their abilities to assert themselves through role playing and using videotapes to see themselves in interview situations.

In addition, participants practice phone skills by having someone listen on a mute phone as they make business calls, Ms. Shellman said. "This is all constructive criticism and really helps people."

Please see PROGRAM, inside

. . . Program

A recent graduate from the program, Derrick Donelson, said that after going through the program a year ago and finding a job in a restaurant, he chose to go through it again to find a more career-oriented job.

He explained, "The first time that I went through the program, it really helped me with my confidence. But after I got the restaurant job, I wanted a better job. The second time I took the class, it helped me the most with interviews."

"I've always been shy and it helped me overcome this," he continued. "It was sometimes hard for me to put things in words. Now I can get my ideas across."

Now, after going through the program for a second time, Derrick has a job as a filing clerk at Permanent General Agency. He looks forward to having this job for a long time.

Derrick found the job through the Oasis Center's Employment Development counselor who finds businesses in the community that are willing to hire youth. Differing with abilities and interests, the young people spend two weeks after the class checking out possible jobs.

Ms. Daniels said that the jobs available vary from entry level positions in fast food companies, to business and corporate level positions . . . . . .

The schedule of the classes varies also with the different groups. Ms. Shellman said that the groups are formed with people whose situations and interests are similar. "For people with jobs or school, we schedule the sessions for night and for others, we have day sessions."

In addition, for people who have completed the program, the Oasis Center has the Job Club, for graduates to get together periodically to share experiences and listen to speakers.

The president of the Job Club, Angela Perkins, said that she went through the employment program this year to get help in finding a job. Now, she has a job with the Tennessean (formerly Newspaper Printing Corporation). She said, "It helped me more articulate and assertive. I've had other friends who went through it and they all have jobs."

Another component of the Youth Employment program is a group that meets to discuss career issues, Ms. Daniels said. "Interested people meet to discuss how to move in jobs, and make them more marketable. For example, if someone begins at the entry level, she might want to map out a way to build on skills to make more money."

The Youth Employment Program provides help with jobs in different ways, beginning with job readiness and placement and moving into career goals.

Chairman **Miller**. Thank you. Dr. Arthur.

STATEMENT OF CHRIS RODGERS ARTHUR, PH.D., PROJECT COORDINATOR, ADOLESCENT PREGNANCY PREVENTION PROGRAM, MEHARRY MEDICAL COLLEGE, NASHVILLE, TN

Dr. **Arthur**. Mr. Chairman, distinguished committee members, on behalf of Meharry Medical College, the program director, Dr. Henry Foster, and the community that we serve, I wish to express our sincerest appreciation for having this opportunity to share these perspectives with you. Life is a continuum. Adolescence is a tumultuous time marking the transition into adulthood. Experiences of the infants and the child and the youth shape the life of the adult that he or she becomes.

The unmet basic needs of the present manifest themselves in the deprivation of future lives. Although this presentation takes into consideration the needs of all youth, I shall primarily focus on the needs of the poor and minority. Poverty breeds poverty and a myriad of negative consequences. Of every 100 children born today, 13 are born to teen mothers, 15 are born to households where no parent is working, 15 are born where a working parent is earning a below poverty wage, 25 will be on welfare at some point prior to adulthood, 20 will be born out of wedlock, 12 will be born to parents who separate before the child is 18, 6 will be born to parents who separate, and 40 will live in female-headed households before they are adults.

When all factors are held constant, poverty is the overwhelming predictor of problems for our youth. Consider the children and youth of families that fall below the national poverty standard must grapple with the issues that confront all families. Their children must be fed, clothed, schooled, and exposed to the range of experiences we deem necessary for positive and responsible decision-making about their futures.

The odds against success are overwhelming, even with a cursory view, and as we look closer, we find that our youth are forming their attitudes about the future and its possibilities in the midst of despair. Teen pregnancy is a major cause and consequence of poverty and hopelessness. Children who are exposed to limited options and possibilities have few reasons to delay early childbearing.

According to the National Longitudinal Study of Young Americans, the following six factors are found to contribute to adolescent pregnancy:

Being behind in school, behind 1 to 2 years. Low family income, below average skills. Family structure, particularly female head of household, and the mother's educational attainment.

In the State of Tennessee, there were 16,424 adolescent girls pregnant in 1984. 11,268 babies born with 252 girls under the age of 15 giving birth. According to national standards,—I am sorry. According to national figures from the Children's Defense Fund Report, minority teens account for 27 percent of the adolescent population but 40 percent of the pregnancies which result in birth.

Although income and basic academic skills are held constant, the white and black pregnancy rates are highly comparable. Even so, the Gugenmaker report indicates that pregnancy rates for white teens in the United States is 83 per 1,000, which is twice the European rate.

The infant of the teen mother has a greater risk of low birth weight and health problems, which are highly correlated with developmental disabilities, learning problems, which, in turn, affect school performance, employability, and ultimately income. In most situations, teens are unable to earn their way out of this cycle. Eighty-five percent of teen heads of households are poor. Seventy percent of the 20- to 24-year olds are poor and 85 percent of school dropouts are poor.

Our children need quality education. Schools in low-income areas do not have access to the same dollars and resources due to reasons including zoning or limited community contributions. There is a correlation between income at and near the poverty levels and low achievement for schools in these areas.

Programs must be developed and expanded to provide remediation for youth who lag behind in their educational attainment. This scenario has become much more profound because the threat of poverty is more imminent to the adolescent today, to the adolescent parent today, than even ten years ago.

It is becoming increasingly difficult for high school graduates to find substantive employment, and more so for dropouts. Early child-bearing disrupts schooling. For over 50 percent of this population, who are confronted with the factors, contribute to the poverty cycle. The plight of the male is not inconsequential when addressing this issue.

In 1984, fewer than one-half of white males and fewer than one-third of black males age 20 to 24 earned enough to support a wife and one child above the poverty standard. Nationally, nearly one-half of black males between the ages of 16 and 24 had no work experience. The Department of Labor for Tennessee reports that over 61 percent of black males between 16 and 24 are unemployed. Even these figures are modest because they do not account for those young men who are no longer actively seeking employment.

There are three factors which contribute to the declines in employment rate. The number of hours of work available, the wage levels. They have all contributed to the large reductions in the average earnings of young workers. Particularly young men.

Between 1973 and 1984, the real income for all males age 20 to 24 dropped by 33 percent. Among black males in this age group, average income failed by 44 percent in real earnings. In 1984, only 48 percent of white men and 27 percent of black men were able to support a wife and child. In contrast, 64 percent of white males and 57 percent of black males in 1973 were able to do so.

The implications are far reaching. If a young man is unable to earn enough to support a child, the financial incentives to marry and form a family are diminished significantly.

Between 1974 and 1985, marriage rates for all 20 to 24 year old males declined by 46 percent. Amongst the blacks in this group, marriage rates fell by 62 percent. As a result, out of wedlock birth rates have risen substantially.

Let me add that the rate of adolescent births in the black community has remained constant. The impact of it is what has been staggering. Bearing children outside of marriage at an early age in turn sharply increases the odds these teens will have the next generation of poor households. Due to their low earning potential, even the young couples who do marry will have more difficulties lifting themselves and their children out of poverty. The results of the cycle are readily apparent. The poverty rate among all households headed by persons younger than 25 years of age has jumped from 15.9 percent in 1973 to 30.2 percent in 1985. Half of all children, three-fourths of all black children, in such households, now live in poverty.

Teenage poverty, teenage pregnancy is only a microcosm of a larger problem. It is only a symptom of a more complex problem that will not disappear without addressing the quality of life in our community. Unfortunately, our youth receive more attention from community agencies after problems have been identified and/or damage has been done.

Let us be cognizant of the fact that the only real solutions will be long-term and comprehensive, taking the whole child and his whole life into consideration.

I would like to add, I was very encouraged by the gentleman from Arkansas who addressed the issues of early intervention for high-risk infants and young children. Looking as well at the continuum of life and how the implications of the young child has far-reaching ones in adulthood.

Prevention and care, therefore, become the order of the day as we look at the relationships between the present and predictable outcomes. This is not to minimize the need for intervention at points of crisis or need, but to underscore the necessity for taking a preventive stance in our search for solutions.

Networks are currently in operation to address care needs of adolescents, particularly the teen parents. It is now time to develop prevention networks as well to minimize the negative impact of predictable outcomes and predictable problems on our children.

At what point do we intervene in order to prevent negative disruption to the lives of our youth? At all points in a coordinated fashion. The schools, social service agencies, health care institutions, must work together to establish systems such that the crucial needs of our children are met from birth through adulthood.

Thank you.

[Prepared statement of Chris Rodgers Arthur, Ph.D., follows:]

PREPARED STATEMENT OF CHRIS RODGERS ARTHUR, PH.D., COORDINATOR, "I HAVE A FUTURE" ADOLESCENT PREGNANCY PREVENTION PROGRAM, DEPARTMENT OF OB/GYN, MEHARRY MEDICAL COLLEGE, NASHVILLE, TN

GOOD MORNING.

Mr. Chairman, distinguished committee members, I am Chris Rodgers Arthur, Coordinator of "I Have A Future" - the community based adolescent pregnancy prevention program of Meharry Medical College.

Meharry has a historic mission and long standing tradition of service to the underserved and disadvantaged. As a primary source of care for the community, Meharry is continuously confronted with the consequences of policies and behaviors which affect the lives of families and their children. Thus, it has a commitment and obligation to provide leadership in addressing the problems of the high risk minority community.

On behalf of Meharry Medical College, the Program Director of "I Have a Future", Dr. Henry Foster, and the community we serve, I wish to express our sincerest appreciation for having this opportunity to share these perspectives with you.

Life is a continuum. Adolescence is a tumultuous time marking the transition into adulthood. The experiences of the infant, child, and youth shape the life of the adult he or she becomes. The unmet basic needs of the present manifest themselves in the deprivation of future lives. Although this presentation takes into consideration the needs of all youth, I shall primarily focus on the needs of the poor and minority.

Poverty breeds poverty and a myriad of negative consequences. The Children's Defense Fund reveals the following in its report entitled A Children's Defense Budget: FY 1988: An Analysis of Our Nations Investment in Children:

Of every 100 children born today—

- — 13 are born to teen mothers
- — 15 are born to households where no parent is working
- — 15 are born with a working parent earning a below poverty wage
- — 25 will be on welfare at some point prior to adulthood.
- — 20 will be born out of wedlock

— 12 will be born to parents who separate
before the children reach eighteen
— 6 will be born to parents who separate
— forty will live in female-headed
household before adulthood.

When all of the factors are held constant, poverty is an overwhelming predictor of problems for our youth. Consider—the children and youth of families that fall below the national poverty standard must grapple with the issues that confront all families; their children must be fed, clothed, schooled, and exposed to the range of experiences we deem necessary for positive and responsible decision-making about their futures. The odds against success in the poor communities are overwhelming, even with a cursory view. As we look closer, we find that our youth are forming their attitudes about the future and its possibilities in the midst of despair. Teen pregnancy is a major cause and consequence of poverty and hopelessness. Children who are exposed to limited options and possibilities have few reasons to delay early childbearing.

According to the National Longitudinal Survey of Young Americans, the following six factors are found to contribute to adolescent pregnancy:

— not being in school
— behind 1-2 years
— family income
— below average skills
— family structure (female head of household)
— mother's education attainment

The Tennessee Center for Health Statistics reports that 1984, 16,424 adolescent girls were pregnant; 11,268 babies were born with 252 to girls under 15 years of age.

According to national figures from the Children's Defense Fund Report, minority teens account for 27% of the adolescent population but 40% of the pregnancies which result in birth. Although, when income and basic skills (academic) are held constant, the white and black pregnancy rates are highly comparable. Even so, the Guttenmacher Report indicates that the pregnancy rate for white teens in the United States is 83 per thousand, which is twice the European rate.

The infant of the teen mother has greater risks of low birth weight and health problems which are correlated highly with developmental disabilities—learning problems which in turn affect school performance, employability, and ultimately income.

In most situations, teens are unable to earn their way out of this cycle. Eighty-five percent of teenage heads of households are poor; 70% of the 20-24 year olds are poor; and 85% of school dropouts are poor.

Our children need quality education. Schools in low income areas do not have access to the same dollars and resources due to reasons including zoning or limited community contributions. There is a correlation between incomes at and near the poverty level and low achievement for schools in these areas. Programs must be developed and expanded to provide remediation for youth who lag behind in the attainment of basic skills.

This scenario has become even more profound because the threat of poverty is more imminent to the adolescent parent today than even ten years ago. It is becoming increasingly difficult for high school graduates to find substantive employment and more so for drop-outs. Early childbearing disrupts schooling for over 50% of this population who are confronted with the factors which contribute to the poverty cycle.

The plight of the male is not inconsequential when addressing this issue. In 1984, fewer than one-half of white males and fewer than one-third black males ages 20 to 24 earned enough to support a wife and one child above the poverty line. Nationally, nearly one-half of black males between 16 and 24 had no work experience. The Tennessee Department of Labor reports that over 61% of black males between 16 and 24 are unemployed. Even these figures are modest because they do not account for those young men who are not actively seeking jobs.

The Children's Defense Fund presents the following to further explain the employment predicament of poor and minority youth:

> These three factors—declines in employment rates, hours of work, and wage levels—all have contributed to large reductions in the average

> earnings of young workers, particular young men. Between 1973 and 1984, the real incomes of all males age twenty to twenty-four dropped by 33 percent. Among black males in this age group, average annual incomes fell by 44 percent in real terms. Earnings losses have been greatest among employed twenty to twenty-four-year-old males without high school diplomas: white and Hispanic dropouts experienced a 39 percent drop in real annual earnings during the 1973-1984 period, while black dropouts suffered a 61 percent loss in real earnings.
>
> These sharp declines in earnings mean far fewer young men bring home incomes sufficient to support above the poverty level even a family of three, the traditional size of a young family starting out in life. In 1984, only 48 percent of white men and 27 percent of black men between ages twenty and twenty-four earned enough to support a wife and one child. In contrast, 64 percent of white males and 57 percent of black males earned enough to do so in 1973.
>
> The implications of these earnings losses are profound and far-reaching. If a young man is unable to earn enough to support a child, the financial incentives to marry and form a family are diminished sharply. Not surprisingly, therefore, marriage rates among young people have fallen along with average earnings for young male workers. Between 1974 and 1985, marriage rates for all twenty-to twenty-four-years-olds declined by 46 percent. Among blacks in this age group, marriage rates fell by a staggering 62 percent. As a result, out-of-wedlock birth rates have risen substantially.
>
> Finally, the related problems of reduced employment opportunities, lower earnings, and less frequent marriages serve to perpetuate the cycle of poverty for young families and children. Poor teens who perceive little chance of getting good jobs are more likely to believe that they have nothing to lose by becoming parents before they are ready. Bearing children outside of marriage at an early age, in turn, sharply increases the odds that these teen will head the next generation of poor households. Due to their low earnings potential, even young couples who do marry will have more difficulty lifting themselves and their children out of poverty. The results of this cycle are already apparent: the poverty rates among all households headed by persons younger than twenty-five have jumped from 15.9 percent in 1973 to 30.2 percent in 1985. Half of all children, and three-fourths of all black children, in such households now live in poverty.

Teenage pregnancy is only a symptom of a larger and more complex problem that will not disappear without addressing the quality of life in our communities.

Unfortunately our youth receive more attention from community agencies after problems have been identified and/or damage has been done. Let us be cognizant of the fact that the only real solutions will be long term and comprehensive ones taking the whole child and his whole life into consideration. Prevention and care therefore become the order of the day as we look at the relationships between present and predictable outcomes. This is not to minimize the need for intervention at points of crisis or need but to underscore the necessity of taking a preventive stance in our search for solutions.

Networks are currently in operation to address the care needs of adolescents particularly the teen parent. It is now time to develop prevention networks as well, to minimize the negative impact of predictable problems on our children.

At what points do we intervene in order to prevent negative disruptions to the lines of our youth? At all points-in a coordinated fashion. The schools, social service, health care institutions must work together in order to establish systems such that the crucial needs of our children are met from birth through adulthood.

Chairman **Miller**. Thank you. Ms. Fewell.

STATEMENT OF PAULETTE FEWELL, EXECUTIVE DIRECTOR, THE TENNESSEE COUNCIL ON ECONOMIC EDUCATION, NASHVILLE, TN

Ms. **Fewell**. As executive director of the Tennessee Council on Economic Education, I have been amazed at the economic attitudes of the people, not only in Tennessee, but nationwide.

Today, I would like to focus on those attitudes in a somewhat different perspective than my fellow panel members.

Luther Hodges, the Former Secretary of Commerce, once commented, "If ignorance paid dividends, most Americans could make a fortune out of what they don't know about economics." When ninth grade students at a junior high school in Orlando, FL, were asked to define free enterprise, one student answered that it was a space ship on Star Trek. Of the 25 students tested, just 12 could correctly say that the U.S. economic system is based on capitalism. Ten said it was based on socialism and three said it was based on communism.

Over one-half of the class felt that the Federal Reserve was a branch of the Army. A national survey conducted by the U.S. Chamber of Commerce showed that the 21,000 high school students polled, 67 percent did not believe in the need for profit. Sixty-three percent favored government ownership of banks, railroads and steel companies. Fifty-three percent favored close governmental regulations of all businesses. Fifty percent felt that the Federal Government contributed most to our national prosperity. Twenty-five percent felt the Federal Government was required to guarantee a profit for private business, and 82 percent did not believe that competition existed in American business.

A survey of 24,000 who's who in American high school students, who were supposedly the top notch students in our schools, revealed that the majority felt that the Federal Government owed each of us womb to tomb security. A survey of adults in 1984 by the Hearst Corp. showed that 60 percent of those surveyed did not know the correct definition of the gross national product. Almost half, 48 percent, incorrectly believed it is the amount of goods and services Federal, State and local governments will purchase this year. Twelve percent could not give an answer at all.

Only one in five percent knew that—only one in five, 20 percent, knew that the military receives between 21 and 30 percent of the Federal Government's budget. Fifty percent overestimated the amount and 12 percent thought over 60 percent of the Federal budget went to the military.

In direct contrast, 60 percent underestimated the amount of money the Federal Government devotes to social programs, including Social Security. They estimated that instead of being between 41 and 50 percent of the budget, it was more like 21 to 30 percent. Most of them had the military and social programs completely reversed.

Perhaps more significantly, only one in five Americans correctly realized that the after-tax profits of America's largest corporations was less than fifty percent. Almost none of them realized it was probably about 5 percent. Forty-four percent thought profits averaged higher than 15 percent, and 11 percent of the people interviewed thought profits averaged probably about 50 percent of sales.

When asked to name the sources they used as a frequent source of information about the national economy, 58 percent named television, both news and prime time. Fifty-five percent named newspapers, 33 percent named radio, and 26 percent named magazines. Only 6 percent named stockbrokers, 8 percent named the bank officer, and 8 percent named schools.

The majority named television as their major source of information, but in a study of prime time TV broadcasts, more than 50 percent of the characters identified as heads of businesses were shown engaged in illegal acts, ranging from fraud to murder. Forty-five percent of all business activities depicted on television involved illegal acts and hard-working executives seemed to be ridiculed as workaholics beset by personal and family relations. Only three percent of the tv businessmen were shown engaging in social and economically beneficial behavior.

Generally, business people were depicted as crooks, con men and clowns. This is not only true for prime time TV, but also in the national and local news stories. Is there any wonder that the American public has a bad impression of business.

As it is evident, a lot of us are given the wrong impression of the free enterprise market system by what we see on television and at the movies, by what we read in magazines and what we hear on the streets. The business world is too often seen in terms of the good and the evil, the have and the have not. I believe it is a sad commentary on our economic system when the only thing some people know about money and business is what they see on "Dallas."

The end result is the majority of Americans have no idea what terms like gross national product and national trade deficit mean. Americans see no correlation between business profitability and their own prosperity. Citizens who vote do not understand the issues.

Apart from all the facts and figures, what are the implications of these findings? I agree with the conclusions of the Hearst survey.

No. 1. From childhood through adulthood, the American public's knowledge of business and economic facts of life is sadly deficient. As one person said, the only thing harder to explain to children than the facts of life are the facts of the American free enterprise system.

Second. The second major finding is that the media, the primary source of business and economic information, is not making any headway against this lack of knowledge.

How can this be? Today, there is more attention than ever devoted to business news and information. So, what is happening? I believe we are preaching to the choir. In a nation, where there are 100 million working people every day, only 7 million read the Wall Street Journal. It makes you wonder what the other 93 percent read, possibly the National Enquirer.

Large numbers of people fail to become informed on business matters because they fail to see the relevancy to their own daily lives. The gross national product is an abstraction. What they eat, where they work, and how they clothe their families is reality.

I think the foregoing data suffices to make one point, American business people who pride themselves on being able to sell anything have failed to sell business in the free enterprise system and the consequences of this are plain.

Generations are growing into adulthood with grossly distorted views of business and the American economic system. We are all greatly concerned about the drug problems which are rampant in our country today, and they are serious. However, in my opinion, it is not the marijuana or the cocaine or the crack of the heroin that rank as the most dangerous drugs we must contend with at this crucial time in our history. I am much more concerned about the drug known as S-F-N, something for nothing.

In Tennessee, we want our students to join TANSTAAFL, which stands for there ain't no such thing as a free lunch. We want them to understand this on a personal as well as the social level. We want them to know that the issues are real, that economic concepts are not confined to the stock market or the Federal Reserve, that they sneak into the lives of every one of us under the guise of every day living. No one escapes.

Obviously, many students are not learning this at home. So, we feel the best way to do this is to teach teachers to teach economics, not just to high school students, because, as my fellow panel members have already told you, a lot of those students are never making it to high school. We think we ought to begin in kindergarten. We want the dismal subject of economics to come alive for Tennessee students.

In today's world of profoundly kaleidoscopic changes, I believe it is more essential than ever that we prepare our young people for the vital choices they will be called upon to make in the years ahead. By training teachers, the Tennessee Council on Economic Education is improving economic understanding and helping our youth build for a better tomorrow.

We have established programs for students in all grades. We believe knowledge of economics cannot wait until the student reaches high school, but must begin in the primary grades and continue throughout his or her schooling years. Our purpose is not simply to make sure our future citizens can one day balance a checkbook, but, instead, to teach tomorrow's leaders that understanding economics is a fundamental part of living in our world, whether you are stepping into the voting booth or sitting behind the chairman's desk at a major corporation.

Thank you.

[Prepared statement of Paulette Fewell follows:]

PREPARED STATEMENT OF PAULETTE C. FEWELL, EXECUTIVE DIRECTOR, TENNESSEE COUNCIL ON ECONOMIC EDUCATION, NASHVILLE, TN

Luther Hodges, the former Secretary of Commerce, once commented: "If ignorance paid dividends, most Americans could make a fortune out of what they don't know about economics."

Most people find the so-called "business story" downright dull and dismal. It is not interesting to them because they don't see a relationship between the well-being of business and the well-being of their daily lives. They buy products provided by the system, but they don't "buy" the system itself.

Just what is the public's attitude towards business?

When ninth grade students at a junior high school in Orlando, Florida were asked to define free enterprise, one answered that it was the spaceship on "Star Trek". Of the 25 students tested, just 12 correctly said that the United States' economic system is based on capitalism. Ten said it is based on socialism and three said it is based on communism. Over 1/2 of the class thought the Federal Reserve was a branch of the Army.

A survey conducted by the United States Chamber of Commerce showed that of the 21,000 high school students polled, 67% did not believe in the need for profit; 63% favored government ownership of banks, railroads and steel companies; 53% favored close governmental regulation of all businesses; 50% felt that the federal government contributed most to the national prosperity and that the best way to improve the American standard of living was not by workers producing more, but by paying workers higher wages; 25% thought the federal government was required to guarantee a profit for private businesses; and 82% did not think competition existed in American business.

A survey of 24,000 Who's Who in American High School students revealed that the majority felt that the federal government should provide "womb to tomb" security.

Although they said that were anti big brother, these students wanted government to be responsible for everything from health care to housing. When given a list of seven current issues -- health care, housing, abortion, jobs, defense, inflation and welfare -- and asked to assign public, private or business responsibility for each, these teens said government should handle all but two areas. Seventy-three (73) percent believed abortion was a private matter that should be left to individual choice and forty-seven (47) percent thought business should be in charge of guaranteeing jobs.

A survey done in 1984 by the Hearst Corporation had two objectives:

1. To measure the American public's knowledge about basic business and economic concepts.

2. To determine where Americans get their information about business and the economy.

The findings showed --

Sixty (60) percent of those surveyed did not know the correct definition of gross national product (GNP). Almost half of the public (48%) polled incorrectly believed it is the amount of goods and services federal, state and local governments will purchase this year. Twelve (12) percent could not give an answer.

Only one in five (20%) knew the military receives between twenty-one (21) and thirty (30) percent of the federal budget. Fifty (50) percent overestimated the amount and twelve (12) percent thought over sixty (60) percent of the federal budget went to the military.

In direct contrast, sixty (60) percent underestimated that the amount of money the federal government devotes to social programs, including social security, was between forty-one (41) and fifty (50) percent of the federal budget. Most thought the percentage of monies for the military and for social programs were completely reversed.

Perhaps more significantly, only one in five Americans correctly realized that the after-tax profits of America's largest corporations were less than fifteen (15) percent of sales. Forty-four (44) percent thought profits averaged higher than fifteen (15) percent. In fact, eleven (11) percent of the people interviewed thought profits averaged more than fifty (50) percent of sales.

When asked to name the sources they use as a frequent source of information about the national economy. Fifty-eight (58) percent named television, both news and prime time, fifty-five (55) percent named newspapers, thirty-three (33) percent named radio and twenty-six (26) percent named magazines. Only six (6) percent named a stockbroker, eight (8) percent named a bank officer and eight (8) percent said school.

The majority named television as their major source of information, but in a study of prime time TV broadcasts, more than fifty (50) percent of the characters identified as heads of businesses were shown engaging in illegal acts ranging from fraud to murder. Forty-five (45) percent of all business activities depicted on television involved illegal acts, and hardworking executives tended to be ridiculed as workaholics beset by strained personal and family relations. Only three (3) percent of the TV businessmen were shown engaging in socially and economically beneficial behavior. Generally, business people were depicted as crooks, con men and clowns. This was not only true for prime time TV, but also in the national and local news stories. Is it any wonder that the American public has a bad impression of business?

As is evident, a lot of us are given the wrong impression of the free enterprise/market system by what we see on television and at the movies; by what we read in magazines and what we hear on the street. The business world is too often seen in terms of good and evil, the "haves" and the "have nots". I believe it is a sad commentary of our economic system when the only thing some people know about money and business comes from what they see on "Dallas".

The end result is a majority of Americans who have no idea what terms like gross national product and national trade deficit mean...Americans who see no correlation between business profitability and their own prosperity...Citizens who vote but don't understand the issues.

Apart from all of the facts and figures, what are the implications of these findings?

I agree with the conclusions of the Hearst survey.

1. From childhood through adulthood, the American public's knowledge of basic business and economic facts of life is sadly deficient.

As one person said, "The only thing harder to explain to children than the facts of life are the facts of the American free enterprise system."

2. The second major finding is that the media, the primary source of business and economic information is not making headway against this lack of knowledge.

How can this be? Today, there is more attention than ever before devoted to business news and information. So what's happening? I believe we are preaching to the choir. Large numbers of people fail to become informed on business matters because they fail to see the relevance to their own daily lives. The gross national product is an abstraction. What they eat, where they work and how they clothe their families is reality.

Only last week I had a call from a vice president of a company in Nashville who needed information on profit sharing and how to explain it to his employees. It seems that in 1985, the company provided profit sharing to its employees and the employees reaped good benefits from that. But in 1986, business was off and the profits were down drastically and so was the profit sharing. Now the employees are feeling gipped and want to know why they were "cheated " (their word) out of their money.

I think this story and the foregoing data suffices to make one point: American business people, who pride themselves on being able to sell anything, have failed to sell business and the consequences of this are plain. Generations are growing into adulthood with grossly distorted views of business and the American economic system.

I believe we have to overcome this economic illiteracy and that's the primary goal of the Tennessee Council on Economic Education.

We're all greatly concerned about the drug problems which are rampant in our country today -- and they are serious. However, in my opinion, it isn't the marijuana, or the cocaine, or the crack, or the heroin that rank as the most dangerous drugs we must contend with at this crucial time in our history. I'm much more concerned about the "drug" known as "SFN" -- something for nothing!

In Tennessee, we want our students to join TANSTAAFL (there ain't no such thing as a free lunch). We want them to understand this on a personal as well as a social level. We want them to know that the issues are real. That economic concepts are not confined to the stock market or the Federal Reserve, but they sneak into the lives of each of us under the guise of everyday living. No one escapes!

Obviously, many students are not learning this at home, so we feel the best way to accomplish this is to teach teachers to teach economics, not just to high school students, but beginning in kindergarten. We want to make the dismal subject of economics come alive for Tennessee students.

In today's world of profound and kaleidoscopic change, it is more essential than ever that we prepare our young people for the vital choices they will be called upon to make in the years ahead.

It was Abraham Lincoln who said, "To sin by silence when they should protest makes cowards of men."

And so, Tennessee is protesting!

Since its creation in 1951, the Tennessee Council on Economic Education has been helping teachers educate their students about economic events and the function of the American economic system. In the past ten years, over 2000 Tennessee teachers have participated on full scholarship in Council workshops at nine universities across Tennessee.

It is through these programs of economic education that teachers and students learn how to reach sound economic decisions in their personal and business lives.

The Council's work, therefore, is of great importance. "Just as the twig is bent, the tree's inclined." The best hope for greater economic sophistication in the next generation lies in basic instruction in economics during the formative years, because in our country ultimate power over broad economic policy resides in the electorate and their knowledge of the issues.

By training teachers and creating success stories in economic education, the Tennessee Council on Economic Education is improving economic understanding and helping our youth build for a better tomorrow.

We have established programs for students in all grades. We believe a knowledge of economics cannot wait until a student reaches high school, but must begin in the primary grades and continue throughout his/her schooling years.

Specifically, we have designed programs for students in grades K-6. These programs include the following:

Kinder-Nomics -- This program for kindergarten students is designed to familiarize the young student with the world of basic economic concepts -- self-motivation, private ownership, competition, individual choice and responsibility. The students are hired to make "friendship pins" for which they receive a salary in form of a check for $.10. They have the opportunity to cash the check at the BANK or deposit the check in savings and earn $.02 in interest. The students who cash their checks have the option of going to the STORE and purchasing items of their choice. The BANK and STORE are set up in the classroom.

Economics First -- In conjunction with the Kinder-Nomics program, Economics First is for first graders. This program involves the student working for a higher salary for increased productivity and having the opportunity to purchase more expensive items at the store.

Kid Enterprise -- In Kid Enterprise, a week long program designed to introduce children (ages 9-11) to the basics of economics, students are allowed to become entrepreneurs. They start a business, either as a sole proprietor, partnership or corporation with other students. They must meet with bankers to secure a loan. Then they must deal with a wholesaler to purchase items which they desire to sell. They are allowed to sell their products on campus. The students must repay their loans to the bank. After expenses are paid, they are allowed to keep their profits. The students must figure the amount of the loan they wish to secure, the amount they need to purchase supplies, and the amount they want to receive for the products they sell. This program proves to be most exciting for the students involved and they all made a profit. This activity is held on the University of Tennessee at Martin campus during the summer months.

Kid Enterprise II -- A second version for Kid Enterprise was developed for the classroom. In Kid Enterprise II, students learn the same concepts but use play money and role play as bankers, manufacturers, raw materials suppliers, wholesalers, retailers, and workers.

Pennies Program -- "Pennies" is an economics simulation in which second and third grade students learn about scarcity, supply and demand and wise consumer buying habits by participating in an auction. The program focuses the children on wise buying habits.

The children are taught that before buying something they should ask themselves three questions: do I really need it? is it worth the price that is being asked? and do I really want this item? The teacher stresses the lesson by holding an in-class auction. Each child is given ten pennies. The teacher holds up a mysterious looking bag and asks if anyone wants to buy it, invariably kids raise their hands and someone buys it, only to find it is full of uncooked beans. The teacher then discusses the three questions that were presented earlier. The buyer is not criticized or asked why he/she did such a dumb thing. Instead it is stressed that this lesson is learned more cheaply in elementary school than as an adult.

Mini-Society -- Mini-Society is an innovative economics unit designed for children in grades 3-6. In the Mini-Society, children create their own society. They choose their "country " name, flag and currency and they decide what form of government to incorporate, if any. The students receive salaries, interview and hire civil servants, and open their own businesses. Students learn everything from supply and demand to entrepreneurship during the twelve-week unit. The students learn economics as a logical deductive system. They also learn to make personal decisions -- as consumers, voters, workers, and business people -- and group decisions about where the group is going. They know why their parents go to work, why there are stores and why there is specialization. They become insightful about business. They realize it has to serve customers, but that to survive, it has to be good to workers and the owners as well.

The learning of economics should start when children are playing with building blocks, not when they are searching for a career. Without such an education, who knows how many potential entrepreneurs end up in dead-end jobs because they find the business world intimidating? How many potential mayors, governors and congressmen are standing in unemployment lines? How many "Henry Fords" are pushing brooms?

The Tennessee Council on Economic, a privately funded organization, has "declared war" on economic illiteracy. Our mission is to help young people understand economics. Our purpose is not simply to make sure our future citizens can one day balance a checkbook. It is to teach tomorrow's leaders that understanding economics is a fundamental part of living in our world, whether you are stepping into a voting booth or sitting behind the chairman's desk at a major corporation.

Chairman **Miller**. Thank you.

Mr. Snowden and Hayes, things came up in both of your testimonies about—and I hope I am reading it right—the question of some outreach here to parents who may themselves be economically disadvantaged or educationally disadvantaged and of what you are doing there in terms of the reforms in South Carolina and in terms of your programs.

At the national center, what are you doing to engage parents in this process? In the previous panel, there was some discussion of whether or not parents were relating to their children the need for this education, since perhaps, in their own lives, there was not that need. They were able to find employment stability or relative stability without pursuing those educational goals.

I just wonder what is going on here in terms of engaging those parents and reaching out to those parents.

Mr. **Snowden**. The mechanisms provided in the new standards which state the parents have to be involved in certain facets of the schools, such as we have what is called a 6-year plan where parents have to be a part of the process to decide what the school is going to be working toward other than just those mandates of particular curricula.

We also are beginning a process through one of the foundations to establish community groups that will look specifically at issues of at-risk children. Those community groups predominantly are made up of parents so that they can actually become more informed and so that they also can learn about the processes of the school.

One of the comments I made was that parental involvement typically has been low in our school systems. That generally is because after kindergarten or after elementary school, parents stop going to PTA's and those kinds of things and, so, they simply lose touch with the process.

What we are hoping to do is to re-establish that so that parents will be a much more active participant in that school life and will understand what kinds of rights essentially they have particularly with their children as they reach difficulties there and in the whole part of the early childhood and those kinds of things.

Our intent certainly is to expand that involvement. We just have not gone beyond that at this point in time as far as plans for that specifically.

Mr. **Mizell**. I think there is a small——

Chairman **Miller**. Is this a formal component of what you plan to do in the educational reforms?

Mr. **Mizell**. Not to the extent it really should be, no. I am sure that there are some conventional political answer which is contrary to that, but that is my perception.

There is in our State a feature which is unusual. I think there are probably less than a half a dozen states in the country that have mandated school improvement councils, in every school that involve parents. That existed before the EIA. They were school advisory councils then and in the spirit of the EIA, we changed them to be school improvement councils, gave them some greater degree of responsibility, and that is very good. It has taken us a long time to get these councils up and running and there are still places in the state where they are certainly more effective than in other places.

We have a small program that operates out of the state department of education which may have a couple of hundred thousand dollars in it, on working with school districts to provide parenting skills to parents, and, certainly, there is some outreach there, but not in the sense that I think that you are asking it, particularly for those students who are most at risk and whose parents obviously are ones who need affirmative outreach on the part of the school system.

School systems historically are not very comfortable with doing that kind of outreach or are not knowledgeable about how to do it. There is also a financial factor there in that if schools really wanted to do it right, they ought to have some staff to help make that kind of link. There are some principals who are able to make those kind of linkages very effectively, but I would say those are in the minority.

Chairman **Miller**. You mentioned a number of our young people disappearing between 9th and 12th grade. Where are they reappearing?

Mr. **Mizell**. Well, I am not sure I can answer that.

Chairman **Miller**. You mentioned economic possibilities. Obviously, it would appear from what you are saying that they are not necessarily leaving the State. They are staying here. Are they employed?

Mr. **Mizell**. We do not know. We have got bad data. You can talk about dropouts in any of three ways in South Carolina. Some people at the State level say we only have 1.6 percent of the enrollment that has dropped out, and that is true. If you take all the dropouts during a given year and divide that number by all the kids enrolled in the year, that is only 1.6 percent.

We also talk about the holding power rate which is based on students who withdraw from school between the 9th and 12th grades, not ninth grade to graduation, but just 9th to the 12th grade. And, of course, Secretary Bennett in his wall chart, talks about ninth grade to graduation.

So, I do not know that we have a rationale for what we think is important because even in our own State, we talk about all of those things kind of simultaneously as if they all meant the same thing. It may be that students have simply moved from the district or moved to another State and that they should not be appropriately determined as having dropped out or to be a nonsurvivor of 9th to 12th grade.

But we really have not dealt with those kinds of issues.

Mr. **Coats**. I am interested in your Oasis Program. In particular, the results you seem to be giving. There is not a whole lot of front-end impact. I was astounded at 2 hours a day, for a few weeks, that the resources were sufficient to steer these young people toward these goals—taking what may be the most difficult cross section of young people and preparing them for the workplace.

How many followup studies have you done in terms of your success over a period of time? It has probably not been in operation long enough for a true assessment, but can you tell me a little bit about the long-term results of this?

Ms. HUGHES. We are just beginning to do the longer term followup. One of the things we are finding is that young people after about three months in one of the entry-level jobs, which is usually where they have to start, most of us do, that they begin to get restless. They have developed a skill level and an interest now in employment that they had not had before. They have more motivation and are seeking a different level of job. We can assist them in making that transition to another job because our followup is so long term.

We will be evaluating again once we help them make that transition to determine how long they are able to stay.

One of the reasons I think that we are able to have this kind of success with these people is the individual attention that they get. This is true in the school program that we operate for our independent living program and for our foster homes and our emergency shelter.

We have kids who are fifteen and sixteen years old who consistently have done poorly in school—they are dropouts, they have no interest in continuing. When they get into a very small staff-client ratio setting where their individual educational needs are being attended to, the light goes on and learning is fun for the first time.

It is the same type of phenomenon that is occurring with this employment program, that individual attention. We connect them with adult mentors who are in the business community who follow them throughout the process, and interact with them, giving them encouragement and assisting them along.

That is the kind of intervention that is really needed.

Mr. COATS. I gather from reading some of the material and some of the newspaper reports, you are working as much on self-esteem as attitude and self-confidence as you are on basic skills, how to pick up a telephone, take an order, and so forth.

Ms. HUGHES. Absolutely. Absolutely. The skills cannot be taught in isolation. They must be surrounded by what we have tended to call "softer skills"—learning how to make decisions, learning how to solve problems. Both skills training and the supportive "soft skills" must be put together in a package.

Mr. COATS. How is your program funded?

Ms. HUGHES. We have had funding through ACTION, the United Way, and the Department of Health and Human Services. The Tennessee Department of Human Services has helped us start an independent living program and also funds a portion of the employment services.

Mr. COATS. How is the Tennessee Council on Economic Education funded?

Ms. FEWELL. We are a nonprofit organization totally funded by contributions from corporations, foundations, and private people.

Mr. COATS. What do you do? Do you put on voluntary training sessions for teachers?

Ms. FEWELL. We put on workshops primarily during the summer that last from a week to 4 weeks, depending. We have nine different universities across the State where we do this, and depending on which schools that are in it, it depends on the length of time where we teach the basics of the free enterprise system, the American economic system, just the basic knowledge of economics.

Not only to teachers of economics, but also to teachers, kindergarten through 12th grade that teach art, who teach literature, whatever they think can bring in the concepts of economics into that area, and we have about 250 teachers who attend each summer and it is—they get graduate credit from the university and it is totally funded by private contributions.

Mr. **Coats**. Is it the goal to teach the philosophy of the free enterprise system, or basic economic skills that the young people need when they go out into the working world?

Ms. **Fewell**. Some of both. What we are trying to do is, as I said, make the dismal subject of economics come alive because most people when they think of economics, they go oh, no! I do it myself, and I am in this business full time, but what we want to do is give them the basics for and the basics of what economics is and then teach how they can incorporate this into everyday living. Not only when they are in the work force but to go home and teach mom and dad how. It is amazing how many of the parents are interested in what we are doing with the students.

Mr. **Snowden**. We have had a number of school systems, as you are aware of, in the state of Arkansas who have substantially increased their local base so that they can continue and be able to provide the necessary elements of the requirements of the standards.

There is no question in my mind nor in the mind of the task force that we will be able to accomplish a great deal of what we are willing to do simply because the people are receptive to education reform.

Now, the dichotomy comes in that legislators seem not to be as receptive to pass additional taxes, etcetera, at the State level, and, so, we have a shortfall there, but I think the citizens typically are generally willing and certainly are supportive of the efforts.

Mr. **Anthony**. I would like to make you aware and I have called the Governor and told him that I just recently conducted a very comprehensive poll in my district. The results are within the last two days.

The No. 1 issue is unemployment; the second is education and what both panels have consistently stated is that they are interlinked when it comes to the youth of this country. I called him to give him that information to hopefully encourage him to go back out to that special session and maybe he will give Mr. Zelkoff—maybe you can give us some lessons on how we might lobby in the State of Arkansas to do what South Carolina has done.

But as I understood your earlier testimony, you said that the business community came forward and lobbied for taxes to be dedicated and targeted for education. Was that accurate?

Mr. **Snowden**. I think somebody else said that somewhere along the line. But——

Mr. **Anthony**. Is it an issue?

Mr. **Mizell**. Well, it is true. First of all, you have got to have Dick Riley. Secondly, once you have that, then you have somebody who is able to form a coalition between the business community, people who are traditional proeducation activists and just plain citizens.

It was a great deal behind the scenes struggling to get the state chamber of commerce to finally agree to the one percent sales tax increase, and it became a matter of developing such momentum that a kind of band-wagon mentality set in.

Mr. **Anthony**. Did the State chamber go public with that?

Mr. **Mizell**. Yes. Right.

Mr. **Anthony**. And actively worked?

Mr. **Mizell**. That is my understanding, yes. And that was not—that is not their traditional position.

Now, quite frankly, the business community got some things out of this because part of what happened was that the leadership of the business community said to the Governor we have got to have some kind of merit pay provision for teachers. We have got to have an exit exam, maybe a couple of other things, and I have even heard the Governor say, "I never thought I would support an exit exam, but if that is what it takes for us to get $55 or $60 million in funds for remedial education and other kinds of programs, then that is what we will do."

So, there was some give and take involved.

Mr. **Anthony**. It seems like we may be making some progress. The national polls indicate that when the public is asked if they are from Texas, they say no, but if they are asked in a different manner, are you from Texas, if it is targeted to a specific area, such as education, the answer is overwhelmingly yes.

Mr. **Mizell**. And that is supported by polling in our state. In fact, polls were conducted before this got to the legislature and the results of those polls were used to try to soften up the legislature.

Mr. **Anthony**. I was curious about Oasis in terms of the cost. You told us where the funding is, but how much money do you actually have to spend in any given period of time?

Ms. **Hughes**. The program generally operates at a level of about $60,000. And that is talking about working with seventy-five young people per year.

Mr. **Anthony**. The total cost for salaries and expenses is $60,000?

Ms. **Hughes**. That is the sum of the grants that we get. I think we are eating some of that cost administratively, but it is our commitment to make this happen.

Our program is underfunded and I also think that it is probably a little bit smaller than optimally it could operate. We could probably operate at about three or four times the size and be a very solid on-going program.

We are in the process of looking for local community funds and we are attracting a good bit of interest of the business community here, as some of the newspaper articles that I submitted show. Our kids seem to graduate from the program excited about work and interested in being employed. So, that kind of enthusiasm is what the employers are seeing and they are getting more willing to support it.

Mr. **Anthony**. Do you think this could be potentially submitted as an example that could go national to try to develop a broader program, maybe partially funded federally and state and then let the private sector pick up some additional costs also, so that you can literally get a lot of economic resources in terms of where your message would come from?

Ms. **Hughes**. Being such a strong advocate for my program, I would say absolutely yes.

Mr. **Anthony**. The articles seem to indicate that you have got a lot of public acceptance to it.

Ms. **Hughes**. Yes, we do. We do have a proposal into the Department of Health and Human Services under this initiative that is joint with Health and Human Services and Department of Labor to extend this program and work collaboratively with the JTPA projects that are operating in our community. Hopefully, so that some of our kids can go into JTPA programs. We will provide the motivation to help them get there, and then follow them through the JTPA training and follow them up after they are placed.

Mr. **Anthony**. Are you very familiar with the training program? I have had some recent criticism. I was going through my district, from the mayors and some of the county judges and some of the people that actually serve on the board of directors of the county districts. They stated that they think there could be some revisions on the national scene to make the program much more workable. You intended to hit on that in your opening—one of the witnesses hit on it in their opening statement. Maybe you did, about three or four of the criteria and you said your people did not meet any of them.

Am I hearing you say that this is a program that maybe we ought to go back and revisit looking for criteria because it is not doing what it was intended to do by the Congress?

Ms. **Hughes**. I think that definitely it needs to be reviewed and evaluated. JTPA is working for a lot of people, but there are segments of our population and particularly the kinds of youth that I am referring to who are just categorically excluded from getting those kinds of services. They will just never make it there without some kind of preparation.

Mr. **Anthony**. I personally would be interested in if you would followup your statement with a followup letter where you could put in the record specifically about this. It was brought to my attention last week. I am just now trying to gather some additional data on it in order to talk to the chairman of the committee with jurisdiction. We will take that up in the legislative agenda for the rest of it.

I have very high unemployment. I have very high youth unemployment. It is something that I definitely want to take a look at. With the exception of the District of Columbia, Arkansas has a very high rank in the teenage pregnancy. Without question, that is something we need to look into.

I think I have been saving you for the last. You are the fellow who kind of loosened us up a little bit with all those numbers. As politicians, I can tell you we are running with this type of disinterest all the time. I applaud you for your efforts.

Ms. **Fewell**. We have not done any formal polling. What we did is last year, I went into two different schools, one in west Tennessee, one in east Tennessee, and we worked with the teachers that were teaching the required high school economics class. At the front end of the class, we gave two different classes. One who had had our class and one who had not had our workshop. Two different teachers. Their classes, just a general economics attitude test and then came back later and at the end of the semester and repolled the same—gave the same test to the kids again and the economic attitudes of the teacher who had had the workshop that we provided, her class had what we viewed as being much better attitudes about economics; the other one still saw it very much as a dismal subject.

Mr. ANTHONY. You thought you could see some improvement?

Ms. FEWELL. We definitely saw some improvement.

Mr. ANTHONY. Not only in attitudes, but within the basic skills.

Ms. FEWELL. But also in their appreciation of what American business is all about and what it takes.

One thing that was interesting to me also was that just last week, I had a call from the vice president of a corporation here in Nashville who had profit sharing for his employees, and the year before, they had benefited from it. Last year, the profits were down and suddenly the workers were saying you are gypping us, you are stealing our money. Where is our profit sharing.

Mr. ANTHONY. You know, I have read that, and I come from the business community. I view that as much a failure of management as I do——

Ms. FEWELL. Well, that is what this man—I thought it was interesting the vice president called me and said, "How do I explain this to my workers?"

Mr. ANTHONY. He should have figured that out before he entered into the profit sharing plan.

Ms. FEWELL. We hope that now we are going to have a group of kids going into employment who will better—who maybe can explain this to their managers.

Mr. ANTHONY. Every business man is going to have to anticipate that he has to take losses sometimes. They should have been prepared for that. That is on both sides, but I understand the attitude of the trade there and it does take dedication and a lot of work.

Mr. Chairman, I would just like to close by saying I think the witnesses have made a very forceful record. It certainly reinforces some of the comments that have been made to me privately and also publicly in my congressional district. I would hope that we will be able to take this public record and go back and work with our colleagues in Congress. I am hopeful we can streamline some of the educational statutes that will expire this year and next year and then will have to be reauthorized and maybe we can find some innovative ways to get into the educational mill some new programs that can target some of the problems that have been highlighted and taken into consideration in the suggestions.

I would like to thank Mr. Snowden from the State of Arkansas for coming over and presenting our side of the case for the unemployed youth in our State.

Thank you.

Chairman MILLER. Dr. Arthur, let me just ask you a couple of things and also Mr. Mizell.

Your testimony is sort of what this committee is about those points of vulnerability, where intervention can make a difference. Obviously, seeing it as a continuum with support services can have a positive impact on how this can turn out.

We recently had a hearing on racial attitudes and racism in our schools and its effect on adolescents. One of the things that came out of that hearing was in a national survey. This is certainly not confined to any one region in the country, but those schools with the best teachers, with the best curricula directed toward post-secondary education had almost no whites—I mean, no blacks, and, just the opposite, those that had the curricula not directed toward post-secondary education had the least resources, had almost no whites in them. In all of this discussion of educational reform, what is going on to change that if that, in fact, is still a factor? Among minority poor in the South, what is going on in this educational reform that needs to break this down or is this a fact of life that you are trying to lay—are you trying to lay the floor on top of this institutional fact of life or is it a fact of life?

Dr. ARTHUR. My primary interest today was to bring some important variables to the forefront that I felt had not been considered in addressing the range of problems that were presented earlier this morning and also on this panel.

What is being done, I am sorry, but I cannot tell you. As to the other panelists, we were talking, I was making—furiously making notes to myself about things that I would have liked to say to the panel and things that I would like to say in other forums about where we may be in a position to intervene to address the problems.

One of the concerns that I have not heard discussed in a public forum is the needs of the black male child in the school system, and since the majority of black male children are in the public school system, I would be interested to say in the public school system, they are our highest risk population educationally.

I am not in a position to say now what the quality is in terms of documented evidence, but I can tell you what the impact is in our communities. I wrote down the information on the number of kids that passed the test, I do not remember what State, but South Carolina was like 39 percent. I would venture to say if that figure were analyzed further, you would find that a significantly larger number of the black male children did poorly on that test than any other of the populations, and I would venture to even pose that as a question to be investigated further. That is one.

I am going to throw some isolated things in here because it is a comprehensive problem, it requires comprehensive solutions. Another one. We are in a community where there is busing.

One of the problems that has been identified is the lack of continuity between school and home. The distance between the school and the home is usually very significant. You are talking about parents establishing contacts with the schools. There are often parents that have economic limitations that make it very difficult for them to get out across town on a Thursday, Wednesday night, and to attend a PTA meeting.

You are also talking about in that distance, and let me say that I am very much for equity and quality education in all communities. The other problem, though, is not having the neighborhood schools, is the issue of establishing continuity for the kids between the school and their community, such as after school sports and other activities. How do they get home, particularly in Nashville. The busing system is very poor and it requires money. Therefore, if the child is to have very positive attitude about his school and feel involved in the track team, in the debating team, and the practices are held after school, he has to go home because there is a public bus, there is the school bus that takes him home and that will be the only way he would have to get home unless some parent would be able to provide transportation on a regular basis to all the kids who do not have it.

So, again, I would like to throw this out as a point of sensitivity to this group, that we look at methods of establishing positive connections between the schools and the homes, and they may seem like very minute things, but they are very important. It is not like the parents are able to walk two blocks to go and talk to the kids' teacher nor is it like they are going to see the teacher in social events within that community. Therefore, you are talking about an extensive effort in maintaining the contact.

Now, I do not know if this is what you had in mind, but I was really writing because a lot of things that were said today raised a lot of additional issues with me in terms of us really looking at means of addressing the problems.

And I would like to add while I am on a roll here——

Chairman **Miller**. I have a feeling I am not going to stop you.

Dr. **Arthur**. [continuing] Let me say something that we have ventured to do. My presentation was not programmed specific, but Meharry is kicking off an adolescent pregnancy prevention program. It falls under there generally because that is what the hoped-for outcome will be, but that is not the real expected outcome.

It is community-based in two community housing projects in Nashville. John Henry Hale and Preston Taylor. We will actually physically be located in those housing projects. We are looking at the total child and the total community and the family.

Our objective is to provide the range of experiences for them, to bring options in to them through options that would not be easily available to them to see if they continue in the pattern that is there. So, they will have an expanded view of what the possibilities are. Not only to show them what the possibilities are, but to provide actual training and experiences for them, such as bringing computers in, because I want to tell you that the program, the school programs that serve that community as in many minority communities do not have access to what we consider adequate or appropriate computer training in getting our kids ready for technological society.

Therefore, we will be bringing the computers in and giving them training in that regard. Establishing mentorships so that they can see not only do you take jobs but you can make jobs. I would hope that our kids will have the opportunities to learn about the economic system not in an inferior perspective, but something functional so they will know that the jobs are not there and let us see what we can do to create jobs ourselves.

So, we are looking at progressive ways of changing old patterns in the community because we realize that it requires some innovation. Looking at the child not only as an individual but in the context of a continuum of a family providing options for the family, linking them up with resources that may be in the community and yet they are not aware of it.

Therefore, establishing coordinated services with the prevention perspective, not crisis-oriented, but seeing where problems may present themselves and addressing them at the earliest point possible.

I am finished.

Mr. **Coats**. I would like to just suggest to Dr. Arthur the next time you are asked a question or have the floor, please dispense with your written statement and just go right into it.

Mr. **Mizell**. If I can just reply also.

Chairman **Miller**. This will be a preface to our hearing next week about the points of intervention we are having in Washington. We should have brought you up there.

Mr. **Mizell**. It is a matter of aspirations and expectations and that is the reason for my final recommendation.

I can think of schools, a school in my community, for example, that is virtually all black and I would suspect that there is not a very high rate of those students going on to post- secondary education. I know that in part that is because those students come from low-income homes, where there is not much discussion about college because a lot of those are low-achieving kids. The school, therefore, offers what the kids can handle and, so, there is not much discussion at school about them going on to post-secondary education.

I can think of another school, for example, that is also about 95 percent black where there is probably a much higher percentage of kids going on to post-secondary education because they are from basically middle-class upwardly mobile homes, and I know that in that school and in those communities, there is a lot of discussion about the need for getting more education. I can think of another school that is about half black and about half white, that is dominated almost, in my judgment, to the extreme by parents and by faculty members who are so obsessed with post-secondary education that that seems to be the whole orientation of the school, and I am sure that they probably have the highest percentage of kids going on than any school in the district.

What I am trying to say here is that the state has given no real signal to individual high schools that they must begin to communicate to kids and their families that post-secondary education is possible, it is valuable, schools want to help them achieve it, here is how, etc.

That kind of discussion in the main is not the case in many all-black or predominantly black schools.

Chairman **Miller**. So, what we end up with is a self-controlled problem in those schools.

Mr. **Mizell**. I am sure you can find examples throughout the nation of a principal in such a school or a group of parents who are just bound and determined that they are going to get it across to these kids that there is something better for them out there.

I think if the state were to say it wants schools to set targets, and those targets are going to be published and everybody is going to see them and we are going to know what your performance is, just like we are doing in other areas in South Carolina, that it is like a superintendent I heard lately say and those of us who have had experiences with schools know that people may gripe and groan at the school level about being told what to do and do not tell us what to do, but when they get a direction from a policymaking body, they eventually come around.

Chairman **Miller**. Eventually is a big word. Well, you know, I think it goes back to what Ms. Weeks was talking about in terms of the attitudinal approach that you were going to accept regarding the potential of all of these children in the system. You started out with early—childhood education. You were going to make decisions about bringing out all of the potential of those children. What we are seeing in the committee, as we start to piece together our testimony in different hearings on different subjects, is that the remnants of this attitudinal system, whether it is with handicapped children where a teacher makes up his or her mind that those kids cannot, or kids in special education cannot learn as fast when, in fact, we know there is now a lot of research that says the teacher does not know a lot about these kids, they have different expectations.

But now we are seeing that this is still hanging out in low income minority-dominated schools throughout the Nation. The reason I am bringing this up is because it is related to some of the hearings we have just had. This is going on throughout the Nation in terms of our expectations of young people and they are fulfilling those expectations.

Mr. **Mizell**. Well, I just bring it back to the subject of the hearing. There was a time in the South when we had no compunction about writing off whole groups of people. If you were poor, if you were black, if you were handicapped, we did not really care very much whether you were in school or not, and that has not been that long ago.

We eventually saw that we were not going any place with that approach, and that has been abandoned, thank goodness, in official policy. But we are now approaching an era when we are going to have a tight labor market and it is in our self-interest, in our economic self-interest to look at every kid and every school as a potential achiever in the labor market and try to make that happen.

Chairman **Miller**. You know, I guess that brings us full circle now and I will go and stop talking here in a second. When Governor Riley made the decision and however he worked that out—and Governor Clinton is working toward a decision on the second phase—if you look at how Governors, and especially in the South, because that is where the new wave of educational reform is, it is kind of like: Why would an employer come here if this is the best I can present?

At some point, it seems to me that the domestic and the business community has to make that same decision. How are they going to compete? We are doing this in my county because we feel pressure from the research triangle because those are the same jobs that are going to go there and to Massachusetts that will come to my district. And there is this huge effort by the corporations there to figure out how they can improve these schools so that they can retain the kinds of ancillary services that they need for those corporations. It seems to me that the politics, if you will, are right for various portions of the country to make that decision. We now see jobs going were the educational dollars are flowing. They have been there in advance and built that structure with the higher education and all that.

I want to thank you very much for your time and for your help and, again, I want to thank the Vanderbilt Institute for Public Policy Studies for providing us a way to come down here and sticking with us through all the scheduling changes that have had to be made to accommodate this, and to Congressman Anthony for also being on the committee to tell us that there is a reason to come down here to hear this story.

We have referred to many of the changes that have taken place in the South in the last few years as models of what other states should be thinking about on the economic and political agenda. I want to thank all of you for that opportunity and the Governor's office and the State legislature for in helping to make these facilities available.

Thank you.

[Whereupon, the committee was adjourned.]

[Material submitted for inclusion in the record follows:]

"I Have A Future"
Adolescent Pregnancy Prevention Project
Department of Obstetrics and Gynecology
Meharry Medical College

Henry W. Foster, M.D.
Director

Chris Rodgers Arthur, Ph.D.
Project Coordinator

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Research Coordinator

Background

As a part of its historic mission of service to the disadvantaged, Meharry Medical College has a strong commitment to preventing damaging lifestyles and health behavior among black adolescents. As the nation's only historically black, independent academic health sciences center, Meharry has a long history of community concern and involvement. Thus, Meharry has this opportunity to develop a model program which provides life enhancement experiences and health services to high risk adolescents while preparing health professionals to address relevant issues associated with the youth population.

The Department of Obstetrics and Gynecology has initiated "I Have A Future" a program which addresses a burgeoning problem in our communities - adolescent pregnancy.

The life and health threatening consequences of early pregnancy and childbearing in and of themselves are cause for concern about the young mother and her child. When compounded by the emotional, social and economic traumas faced by the teenage father, both families, and the community as a whole, the problems of adolescent pregnancy impose an imperative for innovative solutions:

> The challenge is to develop a system which will successfully educate and motivate adolescents to pursue a myriad of constructive life options and delay parenthood. The program has been built on the premise that changes in sexual behavior should be addressed within a framework which presents strategies for positive decision-making while enhancing the self-image.

Target Population

The study group of adolescents participating in the "I Have A Future" program will be males and females between the ages of ten (10) and seventeen (17) years of age who have not had children and reside in the John Henry Hale or Preston Taylor housing projects in Nashville, Tennessee.

A total of 543 adolescents aged ten to seventeen are projected as the initial enrollment for the program. The breakdown by location and age group is as follows:

	John Henry Hale	Preston Taylor	Total
Ages 10-13	119	179	298
Ages 14-17	98	147	245
Total	217	326	543

Over 85% of the families in this community are headed by females, with an annual net income of $5,000 and less per year. Of a total of 900 family heads, only 409 are employed.

The initial group consists of adolescents residing in the Sam Levy and Tony Sudekum housing projects, both with comparable demographic and socio-economic profiles.

Setting

One of the unique aspects of the "I Have A Future" program is its setting within the community. The program will be physically located in the Preston Taylor and John Henry Hale housing projects, which are both managed by the municipal agency, Metropolitan Development and Housing Authority.

This community-based model is proposed to have the following advantages: (a) idle time more adequately addressed (evenings, weekends, summers, (b) accessibility to all adolescents (without stigmatizing drop-outs) through an adjuncy program, (c) proximity to family provides increased opportunities for interaction with parents and siblings, (d) the program operates within the context of the full range of situations that characterize life in the public housing projects.

Intervention

The "I Have A Future" program will incorporate a two-pronged delivery system-direct individual services and group activities to provide the major components of the program:

(1) Comprehensive Health Services
(2) Social Adaptablilty
(3) Pre-Vocational Skills
(4) Social Activities
(5) Parent/Family Development
(6) Counseling Services.

It is critical that programming be age-appropriate since the target population spans the ages from 10 to 17. While the curriculum will focus on knowledge, attitudes, and behaviors for all groups, the emphasis will be on knowledge/awareness for the early adolescents (10-13) and on behaviors for the older group (14-17). The following concepts will permeate all aspects of the program:

- self-esteem and pride in individuality
- physical and mental well being
- completing school
- developing job skills and enhancing employability

- sexual responsibility
- self control and handling interpersonal conflict
- value of helping others
- responsible citizenry
- family life values/appropriate parenting

The adolescents will be divided into mixed gender groups of 30. There will be a total of 18 groups, each assigned to a male and female [adult] counselor. These groups will serve as the operating structure for a majority of the programming with specific activities serving as incentives and vehicles for discussions. Examples of planned activities:

Pre-adolescence (males and females ages 10-13)	Creative Movement/dance Sports Self-defense class Computer skills-IBIM Outings Art Classes Creative Writing Sewing/fashion design Cooking classes Peer tutoring program
Early/Mid-Adolescence (males and females ages 14-17)	Creative movement/dance Sports Self-defense class Computer skills-IBIM Outings Art Classes Creative Writing Sewing/fashion design Cooking classes Peer tutoring program Auto mechanics

Outcomes

The following are the five areas of change to be monitored through summative and process evaluations:

1. Adolescent knowledge and behavior related to personal health.
2. Social adaptable/appropriate with particular focus on school achievement, vocational skill development and delinquency reduction.
3. Self concept and constructive attitudes
4. Utilization of on-site and referral services
5. Integration of student and resident education into adolescent health service programming.

The "I Have A Future" program has received partial funding from the Carnegie Corporation for a forty-two month period.